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Rural Development
United States Department of Agriculture

Rural Utilities Service Broadband Initiatives Program Round Two Application Guide

Last Mile and Middle Mile Projects

(DO NOT USE for Satellite, Technical Assistance and Rural Library Broadband Projects)

For reference please see our website:
www.broadbandusa.gov
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Rural Utilities Service
Broadband Initiatives Program
Last Mile and Middle Mile Projects
Round Two

The Broadband Initiatives Program ("BIP") was established in response to the American Recovery and Reinvestment Act of 2009 ("Recovery Act").[1] In facilitating the expansion of broadband communications services and infrastructure, BIP will advance the objectives of the Recovery Act by spurring job creation, the economy, and building technological infrastructure that will fuel long-term economic growth and opportunity. BIP will furnish loans, grants and loan/grant combinations to assist with addressing the challenge of rapidly expanding the access and quality of broadband services across rural America and to meet the objectives of the Recovery Act.

BEFORE GETTING STARTED

Applicants MUST read the latest available Notice of Funds Availability ("NOFA") published in the Federal Register as of January 22, 2010.

The NOFA **MUST** be used in conjunction with this Application Guide to prepare an application. Should any information in this Application Guide differ from information contained in the NOFA, the NOFA takes precedence.

Applications that do not contain all required information, as described in this Application Guide and in the NOFA, may be considered incomplete.

To assist you in preparing a complete application, you are strongly encouraged to closely follow the detailed instructions provided and to use the BIP application templates provided in the online application system.

[1] Public Law 111–5 (123 STAT. 115), February 17, 2009

Application Guide Table of Contents

I. About this Guide 3

II. General Information 4

A. Background 4
B. Who May Apply 5
C. Funding Options 5
D. Definitions 6
E. General Application Eligibility Requirements 8
F. Eligible Purposes 9
G. Ineligible Purposes 10
H. Service Areas Eligible for Funding 10
I. Evaluation Criteria 11
J. Application Process 12
K. Contact Information 14

III. Application Instructions 15

A. Starting an Application in Easygrants® 15
B. Instructions for Application Screens 17
C. Attachments 1 through 9 - General 44
D. Applicant Checklist for Attachments 1 through 9 50
E. Attachments 10 through 16 - Network Information 51
F. Applicant Checklist for Attachments 10 through 16 62
G. Attachments 17 through 29 - Financial Information 63
H. Applicant Checklist for Attachments 17 through 29 91
I. Appendix - Sample Network Diagrams 93

I. About this Guide

The purpose of the Round Two Application Guide is to assist you, the applicant, in completing a Broadband Initiatives Program (BIP) application to receive grants and/or loans for Last Mile and Middle Mile Projects. This guide provides general information about the program, highlights tips for a successful application, and explains important details about specific application requirements. The guide follows the sequence of application requirements in the Easygrants® application system, which is located online at http://www.BroadbandUSA.gov.

The guide consists of two main parts:

General Information - Provides background information, project and applicant eligibility requirements, definitions of key terms, evaluation (scoring) criteria, and submission guidelines.

Application Instructions - Provides detailed instructions for completing your application in the Easygrants® online application system. This information is organized as follows:

- **Starting an Application in Easygrants®** - Instructions on how to access Easygrants® and start an application.
- **Instructions for Application Screens** - Directions for how to complete specific fields within screens in Easygrants®.
- **Attachments 1 through 9 – General** - Instructions for completing and submitting your Legal Opinion, information about communities in your Proposed Funded Service Areas (PFSAs), other Recovery Act awards, required certifications, and the Environmental Questionnaire.
- **Attachments 10 through 16 - Network Information** - Instructions for completing and submitting information about your proposed broadband network, including a competitor analysis, your system design and network diagram, proposed service offerings, subscriber projections, service metrics, professional engineer's certification, and the status of necessary licenses and agreements.
- **Attachments 17 through 29 - Financial Information** - Instructions for completing and submitting financial data about the applicant and proposed project, including but not limited to historical financial statements and pro forma financial projections, detailed project costs, build-out timeline and milestones, evidence of funding sources, proof of entity type, proof of SDB status, organizational charts, management team resumes, and description of affordability.

Carefully read and follow **all** instructions to ensure your application is accurate and complete.

II. General Information

A. Background

The Recovery Act tasked the US Department of Agriculture's (USDA) Rural Utilities Service (RUS), the National Telecommunications and Information Administration (NTIA) and the Federal Communications Commission (FCC) with leading the Federal Government's efforts to expand the reach and quality of broadband services across the United States. The Agencies have been working together to leverage the authorities and resources provided through the Recovery Act.

The Recovery Act expanded the existing lending authority of RUS to make loans and provided additional authority to makes grants and loan/grant combinations to facilitate broadband deployment in rural areas. NTIA was granted new authority to create the Broadband Technology Opportunities Program (BTOP). Together, both programs will advance the objectives of the Recovery Act by creating jobs and stimulating economic growth. Applications are **not** accepted jointly in Round Two; each Round Two application must be submitted either to BIP or BTOP. Applications for the same project (or substantially similar projects) must not be submitted to both programs. Applicants may submit multiple applications to, and may receive multiple awards from, both programs.

In Round Two, BIP will concentrate on funding Last Mile projects. RUS will still consider funding Middle Mile projects but strongly encourages such projects only be undertaken by current RUS loan or grant recipients.

With decades of experience financing telecommunications infrastructure in rural America, RUS is uniquely equipped to focus on Last Mile rural projects. However, it is still important for RUS to continue funding certain Middle Mile projects to ensure all proposed rural economic development strategies incorporating broadband technology are given full consideration by an Agency whose mission is rural development.

Please note that your organization is considered a current RUS loan or grant recipient only if your organization is exactly the same legal entity that previously received RUS funding. RUS highly recommends that applicants for Middle Mile projects who are not current RUS loan or grant recipients consider applying to BTOP instead of BIP.

B. Who May Apply

The following entities are eligible to apply for BIP funding:

- States, local governments, or any agency, subdivision, instrumentality, or political subdivision thereof
- A territory or possession of the United States
- An Indian tribe
- A native Hawaiian organization
- A non-profit foundation, non-profit corporation, non-profit institution, or a non-profit association
- Other non-profit entities
- For-profit corporation
- Limited liability companies
- Cooperative or mutual organizations

C. Funding Options

Grant/loan combinations can be sought to fund either Last Mile or Middle Mile projects that meet the criteria outlined in the NOFA.

Applicants determine the dollar amount of the grant and loan they are seeking. A standard request is for 75% grant and 25% loan. When choosing the funding mix that you will request, consider the following:

- Requests for more loan funding will result in higher overall scores for the application, making it more likely to be selected for funding. See the instructions for self-scoring in the Application Instructions. Applicants may request up to 100% loan funding.
- Requests for more than 75% grant funding can be made, but require that you submit a waiver request addressed to the RUS Administrator with the application. The waiver request must explain why RUS should consider waiving the standard grant funding limits. Applicants may request up to 100% grant funding. As the RUS Administrator may grant a request for a waiver for a larger grant component based on the following factors, it is important to address these factors in any waiver request that is submitted:
    - Longer distances from non-rural areas
    - Higher percentages of rural area targeting
    - Lower population densities

- Lower median household incomes
- Higher unemployment levels

Waivers will be granted at the discretion of the RUS Administrator.

D. Definitions

The Recovery Act and NOFA use several new terms, as well as terms that have been redefined from previous RUS usage. **A complete list of definitions is included in the NOFA**. The partial listing below presents the key terms from the NOFA that are used in this Application Guide, as well as some terms not used in the NOFA that are needed to correctly assemble and complete the application materials:

Broadband - Two-way data transmission with advertised speeds of at least 768 kilobits per second (kbps) downstream and at least 200 kbps upstream to end users, or providing sufficient capacity in a Middle Mile project to support the provision of broadband service to end users.

Co-Applicant - Any legal entity that will own or co-own project assets and, along with the applicant, is responsible for repaying a BIP loan and/or is held under the restrictions of a grant. Co-applicants must sign the RUS loan/grant documents confirming this responsibility.

Community – For the purposes of your BIP application, a community is the name of a place that appears in American FactFinder (http://factfinder.census.gov), a source of data from a variety of Census Bureau sources.

Grant Accounting - When reporting RUS grant amounts on pro forma financials or other documents submitted with your application, the grant amounts must be treated as revenue on a separate line item. Because this revenue is used to purchase capital assets, it must be amortized over the composite useful life of the assets. Grants and loans are required to be allocated between long-term and short-term obligations on the pro forma financial statements. Failure to use this grant accounting method can produce an unfavorable outcome in the financial review process.

High Speed Access - High speed broadband service to facilitate rural economic development, or service at the rate of at least 5 Mbps (upstream and downstream combined).

Last Mile Project - Any terrestrial infrastructure project the predominant purpose of which is to provide broadband service to end users or end-user devices

(including households, businesses, public safety entities, and critical community facilities).

Middle Mile Project - Any broadband infrastructure project the predominant purpose of which is to provide interoffice transport, backhaul, internet connectivity, or special access (including point-to-point projects), which furthers rural economic development, submitted in an application or co-application.

Multiple Applications - Two or more applications, each with a unique Easygrants® ID number, submitted under the NOFA published on January 22, 2010 by one applicant with a unique DUNS number. Additional information and attachments are required for applicants with multiple applications, as explained in the Application Instructions.

Non-Funded Service Area - Areas in which the applicant currently offers or intends to offer broadband services, but for which the applicant is **not** requesting BIP funds to provide broadband service. Such areas may be included in a BIP application to support the financial viability of the business as a whole, however the infrastructure in these areas will not be considered for BIP funding.

Pre-Application Expense - Any reasonable expense incurred after the release of the NOFA published on January 22, 2010, to prepare an application or respond to RUS inquiries about the application, including engineering costs and accountant/consultant fees. The NOFA and this Application Guide contain detailed guidance on eligible and ineligible purposes for which BIP funding may be used.

Proposed Funded Service Area - For Last Mile projects, the contiguous area (either in all or part of an existing service area or a new service area) where the applicant is requesting funds to provide broadband service pursuant to the NOFA published on January 22, 2010. An application may propose to serve more than one proposed funded service area. For Middle Mile projects, the proposed funded service area shall be defined as the locations of the proposed interconnection points. For further details on Middle Mile projects, please see the instructions for drawing your Project Map in the Application Instructions.

Rural Area - Any area, as confirmed by the latest decennial census of the Bureau of the Census, which is not located within: (1) a city, town, or incorporated area that has a population of greater than 20,000 inhabitants; or (2) an urbanized area contiguous and adjacent to a city or town that has a population of greater than 50,000 inhabitants. For purposes of the definition of rural area, an urbanized area means a densely populated territory as defined in the latest decennial census of the Bureau of the Census.

Second Review - If RUS expects to have excess funding capacity in the Second Round NOFA, the RUS Administrator may permit applicants to adjust

applications for reconsideration that would otherwise not be funded. RUS will reconsider only such applications that can be updated, reviewed, and awarded funds before the expiration of Recovery Act funding, that contain specific and limited adjustments, and that promote significant economic rural development, as determined by the Administrator.

Service Area - The area, including the proposed funded service area(s) and any non-funded service area(s), where the applicant offers or intends to offer any service.

Single Application - An application from an applicant who is applying for one and only one BIP award under the NOFA published on January 22, 2010.

Startup Organization - For the purposes of financial review a startup organization will be defined as either 1) a legal entity with an operating history of less than one year, or 2) a legal entity that has an operating history of less than 2 years, has had limited activity during that period, and is not profitable.

Unserved Area - A service area with no access to facilities-based, terrestrial broadband service, either fixed or mobile, at the minimum broadband transmission speed (set forth in the definition of broadband in this section). A premises has access to broadband service if it can readily subscribe to that service upon request.

E. General Application Eligibility Requirements

Applications for Last Mile and Middle Mile projects must satisfy the following general eligibility requirements to qualify for funding:

A. **Fully Completed Application** - You must submit a completed application with all required supporting documentation.

B. **Timely Project Completion** - The project must be substantially complete within two years of the award date and fully complete within three years of the award date. This means your project must have received 67 percent of your award funds within two years of the award date, and 100% of the award funds within three years of the award date.

C. **Technical Feasibility** - You must submit a system design, network diagram and project timeline. If the total BIP funding requested is more than $1 million, this documentation must be certified by a professional engineer.

D. **Nondiscrimination and Interconnection** - You understand and agree to comply with the nondiscrimination and interconnection obligations outlined in the NOFA.

E. **Service Areas** - The proposed funded service area(s) comply with the Last Mile and Middle Mile eligibility requirements, as outlined in the NOFA and explained in detail in section H below.

F. **Fully Funded** - The project will be fully funded in accordance with the requirements of the NOFA. To demonstrate this, the application must include evidence of all funding, other than the RUS award, necessary to support the project. Examples of documentation include bank account statements or firm letters of commitment from equity participants or other lenders documenting timely availability of third-party funding. Applicants seeking, upon award, to raise the additional capital needed to demonstrate project feasibility—but who do not provide commitment letters from investors—do not meet the fully funded requirement for BIP.

G. **Financial Feasibility and Sustainability** - The applicant must meet the minimum Times Interest Earned Ratio (TIER) and current ratio requirements outlined in the NOFA. (When reporting RUS grant amounts on your pro forma, be sure to follow the BIP guidance for grant accounting, such as to clearly show the grant amounts as revenue on a separate line item; otherwise the financial review of your application can be negatively impacted.)

H. **Leveraging of Recovery Act Funds** - Last Mile projects must cost no more than $10,000 per premises passed in the proposed funded service area(s). Any waiver of this requirement must be specifically requested, and may be approved at the discretion of the RUS Administrator. To calculate the cost per premises passed, divide the total BIP award requested in the application by the total number of premises that are passed in the proposed funded service area(s).

I. **Service Requirements** - The project must provide the broadband service proposed in the application for the composite economic life of the facilities funded by the BIP award. The duration of the composite life of the facilities must be approved by RUS, or provided in the Award Documents for 100 percent grants, starting from the date of project completion.

F. Eligible Purposes

BIP funding **CAN** be used to fund:

- The construction or improvement of all facilities required to provide broadband service, including facilities required for providing other services over the same facilities and including equipment required to comply with the Communications Assistance for Law Enforcement Act (CALEA)
- The cost of leasing facilities that are required to provide broadband service if such lease qualifies as a capital lease under Generally Accepted Accounting Principles (GAAP). Award funds may be used to fund a capital

lease for no longer than the first three (3) years after the date of the Award Documents

- Reasonable pre-application expenses in an amount not to exceed five percent of the award. Pre-application expenses may be reimbursed if they are incurred after January 22, 2010, and prior to the date on which the application is submitted to RUS

G. Ineligible Purposes

BIP funding **CANNOT** be used to fund:

- Operating expenses of the project, including fixed and recurring costs of a project
- Costs incurred prior to the date on which the application is submitted, with the exception of eligible pre-application expenses
- An acquisition, including the acquisition of the stock of an affiliate or the purchase or acquisition of any facilities or equipment of an affiliate
- The purchase or lease of any vehicle other than those used primarily in construction or system improvements
- Broadband facilities leased under the terms of an operating lease
- The merger or consolidation of entities
- Costs for acquiring spectrum as part of an FCC auction or secondary market acquisition
- Costs of a satellite launch, construction, purchase, or leasing of transponder space

H. Service Areas Eligible for Funding

A proposed funded service area (PFSA) is a contiguous area for which you are requesting BIP funds to provide service, whether that area is contained within, or is part of, either an existing service area or a new service area.

To be eligible for Last Mile funding, at least 75 percent of the area of each PFSA must qualify as rural, within which at least 50 percent of the premises do not have access to high speed broadband service.

To be eligible for Middle Mile funding, at least 75 percent of the interconnection points must be in rural areas where no more than 50 percent of the premises have access to high speed broadband services. The communities in which the

interconnection points terminate shall be used to determine the percentage of premises with high speed access. For interconnection points that do not terminate in any recognizable community, the nearest Census Designated Place (CDP) will be used.

RUS will not fund more than one project to serve any given geographic area. If more than one application would serve any overlapping geographic area, the application with the highest score will be funded. Other applications for the same area will be rejected; however, at its discretion, RUS may (1) determine that the extent of the overlap is *de minimis,* or less than 25 percent of the area covered by each application's aggregated PFSA(s); and/or (2) readjust the PFSA(s) in any offer of funding to eliminate overlapping areas between one or more applications. Overlapping areas will be considered separately for last mile and for middle mile projects.

The existing service areas of RUS borrowers in which they provide broadband service are not eligible for BIP funding. These areas can be found on the map available at http://www.BroadbandUSA.gov no later than February 16, 2010. In addition, the service areas of awardees under the first round BIP/BTOP combined NOFA are also ineligible for BIP funding; as these are awarded, these service areas will be identified no later than February 16, 2010 on the map available at http://www.BroadbandUSA.gov.

Service areas that do not meet the eligibility requirements for BIP funding may be included in the application to support the financial feasibility of the proposal; however, such areas are not eligible to receive BIP funding.

I. Evaluation Criteria

To ensure that BIP funding is awarded to applications that best promote the objectives of the Recovery Act, each application will be scored against the following criteria:

Scoring Criteria	Possible Points
Proportion of Rural Residents Served in Unserved Areas	10
Rural Area Targeting	10
Distance from Non-Rural Areas	5
Title II Borrowers[2]	8

[2] Title II of the Rural Electrification Act of 1936 ("RE Act"), as amended, authorizes the Secretary of Agriculture to make loans for Rural Telephone Service. A RUS Title II borrower refers to an organization that has received a loan under the Traditional Telecommunications Infrastructure Program. Organizations

Scoring Criteria	Possible Points
Other Recovery Act Awards	5
Performance of the Offered Service	10
Service to Critical Community Facilities and Socially and Economically Disadvantaged Small Business Concerns	6
Applicant's Organizational Capability	10
Socially and Economically Disadvantaged Small Business Concern (SDB)	3
Leverage of Outside Resources	10
Extent of Grant Funding	15
Cost Effectiveness *(Last Mile Projects Only)*	8
Total Points Possible (Last Mile Projects)	***100***
Total Points Possible (Middle Mile Projects)	***92***

In addition, the Administrator may award up to 10 bonus points to applications that provide significant assistance to critical community facilities (including libraries), promote rural economic development, support persistent poverty counties, serve chronically underserved areas, demonstrate cost effectiveness, offer low-cost service options, and/or provide for geographic diversity. However, the Administrator's points may not raise an applicant's score to more than 100 points.

You are strongly encouraged to thoroughly review the Evaluation Criteria in the NOFA to ensure that the scoring criteria are addressed in the appropriate sections of your BIP application. The online application system contains a self-scoring worksheet to assist you, and this Application Guide explains each scoring criterion in detail.

J. Application Process

Application packages are available at http://www.BroadbandUSA.gov. Electronic applications must include an electronic signature; this can be arranged by registering at http://www.ccr.gov.

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receiving funding under the Rural Broadband Access Loan and Loan Guarantee Program, Pilot Broadband Loan Program, Distance Learning and Telemedicine Loan and Grant Program, Community-Oriented Connectivity Broadband Grant Program, and the Electric Program, which have not otherwise received funding under the Traditional Telecommunications Infrastructure Program, are NOT considered Title II borrowers.

All Last Mile and Middle Mile applications for Round Two BIP funding must be submitted electronically at http://www.BroadbandUSA.gov. The application period opens at 8AM Eastern Time (ET) on February 16, 2010, and closes at 5PM ET on March 15, 2010. Electronic submissions will be automatically date and time stamped by the electronic application system. Applications received after this time are not eligible for the program.

Do not wait until the last minute to begin your application. You can begin entering and saving information early, and then submit the application at a later date within the application time period.

Before you apply:

- Be sure you have a Dun and Bradstreet (D&B) Data Universal Numbering System (DUNS) number. If you do not already have one, you can receive a DUNS number at no cost by calling the dedicated toll-free DUNS number request line at 1-866-705-5711 or via the Internet at http://fedgov.dnb.com/webform.
- Register with Central Contractor Registration (CCR), the primary vendor database for the US Federal government. Note that registering with CCR and receiving a Commercial and Government Entity (CAGE) code may take up to 3 business days.
- Gather all relevant guidance documents, including the NOFA, Frequently-Asked Questions (FAQs), workshop materials, and compliance regulations.
- Decide whether you want to submit one application for one project or multiple applications for multiple projects. If you are submitting multiple applications, be prepared to first start all applications at least far enough to give each one a Project Title and generate an Easygrants® ID number. Within each application, you will be asked to cross-list all other applications. Easygrants® assigns an application ID number to each completed or partially completed application the first time it is saved.

Answers to Frequently Asked Questions (FAQs) about the RUS Broadband Initiatives Program can be found at http://broadbandusa.gov/faq.htm.

K. Contact Information

For additional information concerning the BIP Program, direct all questions to the Broadband USA Help Desk.

Broadband USA Help Desk

Phone: 877-508-8364

Email: BroadbandUSA@usda.gov

The RUS website at http://www.usda.gov/rus/telecom contains additional resources such as fact sheets, accounting requirements, and Agency publications.

III. Application Instructions

Tips for Successful Applications

The Easygrants® online application system provides templates for many of the required attachments. These templates should be downloaded from Easygrants® as individual PDF, MS Word or MS Excel files. Applicants should enter information directly into the templates and upload the completed files into Easygrants®.

You are strongly encouraged to use the BIP application templates provided in the online application system. If you choose to submit any attachment in an alternative format, be sure to:

- Clearly label and save EACH attachment by original number and title, as shown in this Application Guide, but add the phrase " - MOD" to the filename (for example: 1 - Legal Opinion - MOD)
- Format your attachment as closely as possible to the BIP application template
- Include at least as much information as was requested in the BIP application template
- Use one of the valid file formats (.doc, .docx, .pdf, .rtf, .xls, and .xlsx).

Failure to submit complete and properly labeled attachments may result in slower processing.

If you are having problems with your attachments, contact the Broadband USA Help Desk (by phone at 877-508-8364 or by email at BroadbandUSA@usda.gov).

A. Starting an Application in Easygrants®

1. Start an Application

- Go to: http://www.BroadbandUSA.gov
- Select the "Apply" tab
- Select "BroadbandUSA ApplyOnline" or visit https://applyonline.broadbandusa.gov to create an electronic application

- No paper applications will be accepted for Last Mile and Middle Mile projects. You must submit electronically.

2. Easygrants® Main Login Page

Once you are ready to start the electronic application process you will be directed to the User Log In screen.

- Existing Users: If you already have an account with Easygrants®, simply login. Please note that users must log in to Easygrants® every 90 days for their accounts to remain active.
- New Users: Complete the registration process on the User Log In screen.
  - Select the "Register here" link beside "New User?"
  - Input full name, phone number and email address
  - The email address will serve as the Login ID
  - Create a password that meets the specified security requirements
  - Create a security question and answer
- You will be prompted to check your computer settings. You may need to make some modifications.
  - Pop-ups - Please ensure that your Web browser allows pop-ups. Easygrants® uses pop-up windows to display some information.
  - Cookies - Please ensure that your Web browser and computer can accept cookies from this site. Easygrants® uses cookies to save the information you enter during a session.
  - Adobe Reader - Easygrants® uses some PDF file formats, so be sure to download the latest version of Adobe Reader (free at http://www.adobe.com) if you do not have it already.

Tips for Successful Applications

Are you submitting multiple applications? If so, this is the time to create a preliminary file for each one so that you have a complete list of Project Titles and Easygrants® ID numbers. Within each application, you will be asked to cross-list all other applications. Easygrants® assigns an application ID number to each application the first time it is saved. If you later decide not to pursue one or more of your created projects, use the delete button to remove it. Be certain you take the steps necessary to complete and submit all applications for which you are seeking BIP funding.

B. Instructions for Application Screens

1. **Acknowledgement Page** - Read the Acknowledgement statement thoroughly. Check the box at the bottom of the screen to indicate that you have read and acknowledged the statement.

2. **Contact Information** - Supply complete contact information for the project's primary Point of Contact. It is important that you complete every field. RUS will use the contact information provided in this section for all contact and correspondence. It is crucial that this information be accurate, especially a reliable email address and phone number for rapid correspondence. Some correspondence may also be sent by fax or mail.

   It is also important to note that the information captured in the user's profile is tied to the information captured in the Contact Information screen within the application. If the data is changed in one place it will be updated in the other as well.

   The contact information in each of the following categories must be for an individual with the authority to answer any questions BIP staff may have about an application.

   a) **Contact** - Enter the name and title of the individual to be contacted on matters involving this application.

   b) **Email** - Use the "Add" button to provide the email address(es) of the same individual. Note that the system will default to the email address in the Contact Information screen to your login email; however, it can be modified.

   c) **Telephone/Fax** - Use the "Add" button to provide the phone and fax number(s) of the same individual.

   d) **Address** - Use the "Add" button to provide the business mailing address(es) of the same individual.

   NOTE: Contact information provided on this screen is NOT confidential and will be made available to the public.

3. **Other Project Contacts** - Use the "Add" button to provide the name, project role, phone number, and email address of any additional project contacts. RUS may elect to contact these individuals if the primary contact does not respond to inquiries about the BIP application within suitable timeframes. It is crucial that this information be accurate, especially a reliable email address and phone number, for rapid correspondence. You must provide at least one secondary contact.

4. Organization Information

a) Organization Information - DUNS Number

As required by the Office of Management and Budget, all applicants must supply a DUNS number. If you do not already have one, please obtain one by calling the dedicated toll-free D&B request line at 1-866-705-5711 or via the Internet at http://fedgov.dnb.com/webform.

The Federal Acquisition Regulation requires that contractors register in the CCR database prior to being awarded a contract. You will need your DUNS number to start this registration. If necessary, contact the CCR Customer Assistance Center toll free at 1-888-227-2423. CCR Registration Quick Start instructions are available at http://broadbandusa.gov/ccr_register.htm.

Once you have a DUNS number and are registered in the CCR database, enter the number into the appropriate field in Easygrants® and select the "Lookup" button. At this time, your DUNS number is verified against the CCR database.

NOTE: The CCR verification process can take up to three business days to complete. Please allow enough time for this processing to occur prior to the BIP application submission deadline. Select the "Refresh Status" button periodically to update the status of the CCR verification process.

Note that if you complete multiple applications and confirm your organization, and then you modify your data in the CCR, any subsequent application(s) will show the updated CCR information while the previous applications will still retain the older CCR information. In other words, updating CCR will not automatically update all of your applications in Easygrants®. It will only update the applications for which you refresh the CCR data and confirm the organization.

Once the DUNS number has been confirmed by CCR, the system will display the following information for the applicant based on what is registered with CCR.

i. DUNS - the CCR confirmed number
ii. CAGE Number
iii. Legal Business Name
iv. Point of Contact (POC) - Name, phone number, and email address
v. Alternate POC - Name, phone number, and email address
vi. Electronic Business POC - Name, phone number, and email address
vii. Alternate Electronic Business POC - Name, phone number, and email address

NOTE: One of the points of contact entered here must be designated as the official point of contact for your BIP application.

Review this data to confirm that your organization's information is correct, and select the "Confirm Organization" button. This will associate your organization with this application, which cannot be undone.

NOTE: Be sure to confirm that the CCR data matches your organization's information before selecting the "Confirm Organization" button.

b) Environmental Point of Contact

Select the "Add" button to provide the name, title and phone number for the individual(s) RUS should contact regarding the environmental review requirements of this application. RUS will use the contact information provided for all contact and correspondence related to the required environmental review process. It is crucial that this information be accurate, especially a reliable phone number for rapid correspondence. You must provide at least one primary environmental contact.

c) Additional Organization Information

i. **Type of Organization** - Please select the type of eligible entity from the drop-down menu that best describes the legal structure of the applicant. Please note, on the Uploads screen you must also submit proof of the applicant's entity type, as described in Attachment 25 - Proof of Entity Type.

ii. **Summary of Organization** - Describe the applicant's organization, including mention of any public-private partnerships and/or any public service activities related to the project. This description may be published on publicly accessible websites; therefore you should ensure that the summary describes the applicant's organization in the manner you prefer.

iii. **Is the organization also a small business?** - Please indicate whether the applicant organization is a small business.

iv. **Does the organization meet the definition of a socially and economically disadvantaged small business concern as defined under section 8(a) of the SBA?** - Organizations that are socially and economically disadvantaged small businesses (SDBs) receive additional competitive points. If the applicant is an SDB as defined by section 8(a) of the Small Business Act, select "Yes" from the drop-down menu. Only one of the entities applying for BIP funds (the applicant or one of the co-applicants, if any) needs to indicate its SDB status to receive the points.

v. **Congressional District of Applicant Headquarters** - From the drop-down menu, select the congressional district where your

vi. **If the applicant is a subsidiary, provide parent legal name** - If your organization is a subsidiary of another legal entity, provide the legal name of the parent organization. This response must match the information supplied in Attachment 27 - Organization Chart(s).

vii. **If the applicant is a startup, name of entity with controlling interest** - If your organization is a startup, provide the legal name of the entity that has the controlling interest in the startup organization. For the purposes of financial review a startup organization will be defined as either 1) a legal entity with an operating history of less than one year, or 2) a legal entity that has an operating history of less than 2 years, has had limited activity during that period, and is not profitable.

viii. **Is the applicant delinquent on any federal debt?** - Indicate whether your organization is delinquent on any Federal debt. If yes, select the "Add" button to provide an explanation. This question applies to the applicant organization itself, not the individual who signs as the authorized representative. Categories of debt include delinquent audit disallowances, loans, and taxes. This response must match the information supplied in Attachment 23 - Schedule of Debt and Equity Funding.

ix. **Is the applicant a current or former RUS borrower or grantee?** - Indicate whether the applicant's organization is a current RUS borrower or grantee.

x. **Is the applicant a current or former RUS Title II borrower?** - Select the appropriate response to indicate whether the applicant organization is a current or former RUS Title II borrower. Title II of the Rural Electrification Act of 1936 ("RE Act"), as amended, authorizes the Secretary of Agriculture to make loans for Rural Telephone Service. A RUS Title II borrower refers to an organization that has received a loan under the Traditional Telecommunications Infrastructure Program. Applicants that are current or former RUS Title II borrowers receive additional competitive points. As such, the legal entity submitting the application must be identical in all respects to the entity that received the RUS Title II loan in order to qualify for this status.

Note on Definition of Title II Borrower

Organizations that have received funding under the Rural Broadband Access Loan and Loan Guarantee Program, Pilot Broadband Loan Program, Electric Program, Distance Learning and Telemedicine Loan and Grant Program, and the Community Oriented Connectivity Broadband Grant Program, *which have not otherwise received funding under the Traditional Telecommunications Infrastructure Program*, are **NOT** considered Title II borrowers.

5. Co-Applicants

a) Are you applying with any other key institutions, organizations, or other entities for this project? - Select the appropriate response to indicate whether there are any co-applicants for this application. Select the "Add" button to provide contact and organizational information for each co-applicant.

NOTE: Only include as co-applicants any legal entities that will own or co-own project assets and, along with the applicant, are responsible for repaying a BIP loan and/or are held under the restrictions of a grant. Co-applicants must sign the RUS loan/grant documents confirming this responsibility.

b) Contact Information - General information about the primary contact from each co-applicant organization must be supplied in this section. It is important to complete every entry. RUS will use the contact information provided in this section for all contact and correspondence. It is crucial that this information be accurate, especially a reliable email address and phone number for rapid correspondence. Some correspondence may also be sent by fax or mail.

The contact information in each of the following categories must be for an individual with the authority to answer any questions BIP staff may have about an application.

i. **Contact** - Enter the name, title, organization, project role, and address, phone number, and email address of the individual to be contacted on matters involving this application.

ii. **Is the co-applicant also a small business?** - Please identify whether the co-applicant is a small business.

iii. **Does the organization meet the definition of a socially and economically disadvantaged small business concern as defined under section 8(a) of the SBA?** - Organizations that are socially and economically disadvantaged small businesses (SDB)

receive additional competitive points. If the co-applicant is an SDB as defined by section 8(a) of the Small Business Act, select "Yes" from the dropdown menu. Only one of the entities applying for BIP funds (the applicant or one of the co-applicants, if any) needs to indicate its SDB status to receive the points.

iv. **Type of Organization** - Please select the appropriate type of eligible entity from the drop-down menu that best describes the legal structure of the co-applicant. Please note, on the Uploads screen you must also submit proof of the co-applicant's entity type, as described in the instructions for Attachment 25 - Proof of Entity Type.

c) Is the co-applicant delinquent on any federal debt? - Indicate whether the co-applicant is delinquent on any Federal debt. If yes, select the "Add" button to provide an explanation. This question applies to the co-applicant organization itself, not the authorized representative. Categories of debt include delinquent audit disallowances, loans, and taxes. This response must match the information supplied in Attachment 23 - Schedule of Debt and Equity Funding.

d) Is the co-applicant a current RUS borrower or grantee? - Indicate whether the co-applicant organization is a current or former RUS borrower or grantee.

e) Is the co-applicant a current or former RUS Title II borrower? - Select the appropriate response to indicate whether the co-applicant organization is a current or former RUS Title II borrower. (See the description of Title II borrowers provided previously.) Only one of your co-applicants needs to be a Title II borrower in order to receive points for this item.

NOTE: Contact information provided on the contact screen is NOT confidential and will be made available to the public.

6. **Authorization** - The Authorized Organizational Representative (AOR) is the person registered in the CCR who certifies that the application was submitted for the organization chosen in the CCR screen. This person may be different from the person who completed the application in Easygrants®. Applicants are urged to keep this designation up-to-date.

   The AOR field is pre-populated with the CCR Point of Contact data displayed on the Organization Information page. The dropdown list shows the first name, last name, and POC type. Select the name of the correct POC from the dropdown menu. To activate the selected POC as your AOR, select the "Notify" button under the "Options" header.

   Once you select the "Notify" button, the system generates an email with a confirmation link and sends it to the designated POC. After the POC selects

the link embedded in the email, the Outcome column shows as “Complete” and the Options button changes to “Re-Notify.” The selected POC is now the AOR.

7. Project Information

a) Project Description

i. **Project Title** - Please provide a short descriptive project title. This is a non-confidential item. Please ensure that this Project Title is used when referencing this application, including on all of the attachments in the Uploads section.

ii. **Project Description** - Please provide a few sentences describing your project, including where service will be provided, the type(s) of technology to be used, and the number of households and businesses that will be passed. This description will be published on publicly accessible websites; therefore, you should ensure that the description explains your project in the manner you want the public to view it. Do not include any proprietary information within this description. This is a non-confidential item.

iii. **How many jobs will be created or saved from this project?** - Provide the sum of the number of jobs expected to be created or saved by this project. This is a non-confidential item. Refer to the following website for Recovery Act guidance on the manner in which job estimates are to be calculated and reported: http://www.recovery.gov/FAQ/recipient/Documents/m10-08%20Updated%20Guidance%2012182009.pdf

b) Project Type

i. **Please choose the type of project for which the applicant is seeking funding** - Select whether you are applying as a Last Mile or Middle Mile project.

NOTE: Applications for **Last Mile** projects must meet the following eligibility requirements:

a. The project must predominantly provide broadband service directly to the premises or to end users.

b. Each proposed funded service area must contain 75 percent or more rural areas, within which not more than 50 percent of the premises in the rural areas have High Speed Access.

NOTE: Applications for **Middle Mile** projects must meet the following eligibility requirements:

a. Middle Mile projects must provide interoffice transport, backhaul, internet connectivity, or special access (including point-to-point projects).

b. Applicants must propose that at least 75 percent of the interconnection points be in rural areas with no more than 50 percent of the premises having High Speed Access. Note that the communities in which the interconnection points terminate will be used to determine the percentage of High Speed Access. For those interconnection points which do not terminate in any recognizable community, the nearest CDP will be used.

c) Other Applications

i. Indicate whether you or any of your co-applicants are submitting any other Last Mile or Middle Mile BIP applications during this round of funding, or any BTOP applications that are related to your BIP applications. If your response is "Yes," select the first "Add" button in this section to provide the Easygrants® ID and the Project Title for each additional application. If the project you are listing is a BTOP project, indicate such by adding "- BTOP" to the end of the Project Title. An Easygrants® ID is generated upon saving a complete or partially complete application. To ensure you have a complete set of cross-listed applications, you should start all applications far enough in advance of the submission deadline to enter the Project Titles and generate the Easygrants® ID numbers.

ii. If you selected "Yes" and added other applications, please select the second "Add" button in this section to provide an explanation of any synergies and/or dependencies between this project and any other applications. Also, explain your contingency plans, if any, in the event the other project(s) do not receive an award.

d) Other Project Information

i. **Executive Summary** - Select the "Add" button to provide an Executive Summary of the proposed project. The Executive Summary should be a brief description of the proposed project. Overall it should convey the reason why the system is needed and the qualifications of the applicant to construct and operate a broadband system. The Executive Summary should address the following topics:

a. Opportunities the proposed system seeks to address

b. A general description of the PFSA(s), such as location, number of communities, etc.

c. Number of households and businesses passed (must match the information in Attachment 13 - Subscriber Projections and Service Tiers)

d. Number of Critical Community Facilities and Public Safety Entities passed and/or involved with project (e.g., medical and health care providers, educational institutions, libraries, etc.) and any significant assistance provided to such facilities (must match the information in Attachment 13 - Subscriber Projections and Service Tiers)

e. Proposed services and applications to be provided to users

f. Type of broadband system that will be deployed (network type and technology standard)

g. Approach to addressing the non-discrimination and interconnection obligations

h. Qualifications of the applicant that demonstrate the ability to construct and operate broadband infrastructure, and/or to be a sustainable broadband services provider

i. The operational relationship between the applicant and any co-applicants

j. Overall infrastructure cost of the broadband system

k. Overall expected subscriber projections for the project (must match the information in Attachment 13 - Subscriber Projections and Service Tiers)

l. Number of jobs estimated to be created or saved as a result of this project (must match the information provided in the Project Information screen in Easygrants®)

m. How the project promotes rural economic development, supports persistent poverty counties, serves chronically underserved areas, demonstrates cost effectiveness, offers low-cost service options, and/or provides for geographic diversity

ii. **Is the applicant cooperating with any other Recovery Act Awards?** - Projects that leverage other Recovery Act programs or collaborate with other Recovery Act awardees can receive additional competitive points. Points are awarded if the synergies or contributions can show a financial benefit to either partner, through intangible, material, and/or financial support provided to the applicant or the other project. Select “Yes” or “No” as appropriate.

If you select “Yes,” select the “Add” button to describe how your project will leverage other Recovery Act programs or collaborate

with other Recovery Act awardees. Please individually identify each Recovery Act program name and purpose, including the funding requested and/or received through those programs. In addition, describe the collaboration and specify how it can lead to greater project efficiencies.

- For a wireline provider, examples of acceptable leveraging may include localities providing right-of-way rights or access at shared, low, or no costs to the project, or rewiring a public building or neighborhood during another form of construction such as re-electrification or plumbing.
- For a wireless provider, examples of acceptable leveraging may include localities providing rooftop rights to public buildings, public land leases for tower construction, or similar forms of local cost-sharing involving a material contribution or grant in a public-private partnership.

Please note that evidence of the intent to collaborate in the manner described is required to receive competitive points. In the Uploads section under Attachment 3 - Recovery Act Collaboration, you must attach documentation that demonstrates intent to collaborate and evidence that leveraging efforts will be substantive and meaningful. This evidence may include a Recovery Act award letter or a letter from another organization that received a Recovery Act award. There is no template for this attachment.

iii. **Is the applicant seeking a waiver of the Buy American Provision?** - Indicate whether your organization is seeking a waiver of the Buy American Provision.

If you are a public entity or are part of a public-private partnership, and are proposing to purchase foreign-made goods not specifically exempted by the Buy American Waiver Notice published in the Federal Register on July 1, 2009, a waiver is required. Select “Yes” and then select the “Add” button to provide justification for your waiver request.

None of the funds appropriated or otherwise made available by the Recovery Act may be used for the construction, alteration, maintenance, or repair of a public building or public work (as such terms are defined in 2 CFR § 176.140) unless all of the iron, steel, and manufacturing goods used in the project are produced in the United States. The Department of Agriculture published a notice in the Federal Register stating that the Secretary of Agriculture reached the conclusion that applying the Buy American provision for the use of certain broadband equipment in public BIP projects would be inconsistent with the public interest.

8. **Community Anchor Summary** - Please provide the total number of Critical Community Facilities (CCF) and Public Safety Entities (PSE) located within the project's proposed funded service area(s), broken down in the following sub-categories:
    - Schools (K-12)
    - Libraries
    - Medical and Healthcare Providers
    - Public Safety Entities
    - Public Housing
    - Institutions of Higher Education
    - Community Support Organization
    - Government Facilities

    The total number of all Critical Community Facilities and Public Safety Entities will be calculated automatically. You should confirm that the total number of CCFs and PSEs matches the sum of the total CCFs and PSEs entered for all PFSAs using the Service Area Details screen in Easygrants®.

9. **Project Map** - RUS' web-based Mapping Tool allows applicants to electronically designate and submit service area maps for both funded and non-funded portions of the proposed project. Select the link beneath the data entry box on this Easygrants® screen to access the Mapping Tool or visit http://www.BroadbandUSA.gov.

    You must provide the Mapping Tool reference number for the map you create for this application in the data entry box provided on the Easygrants® screen, ensuring that the Reference Number follows this format:

    XXXX-XXXX-XXXX-XXXX

    Important Note on Mapping Tool Reference Numbers

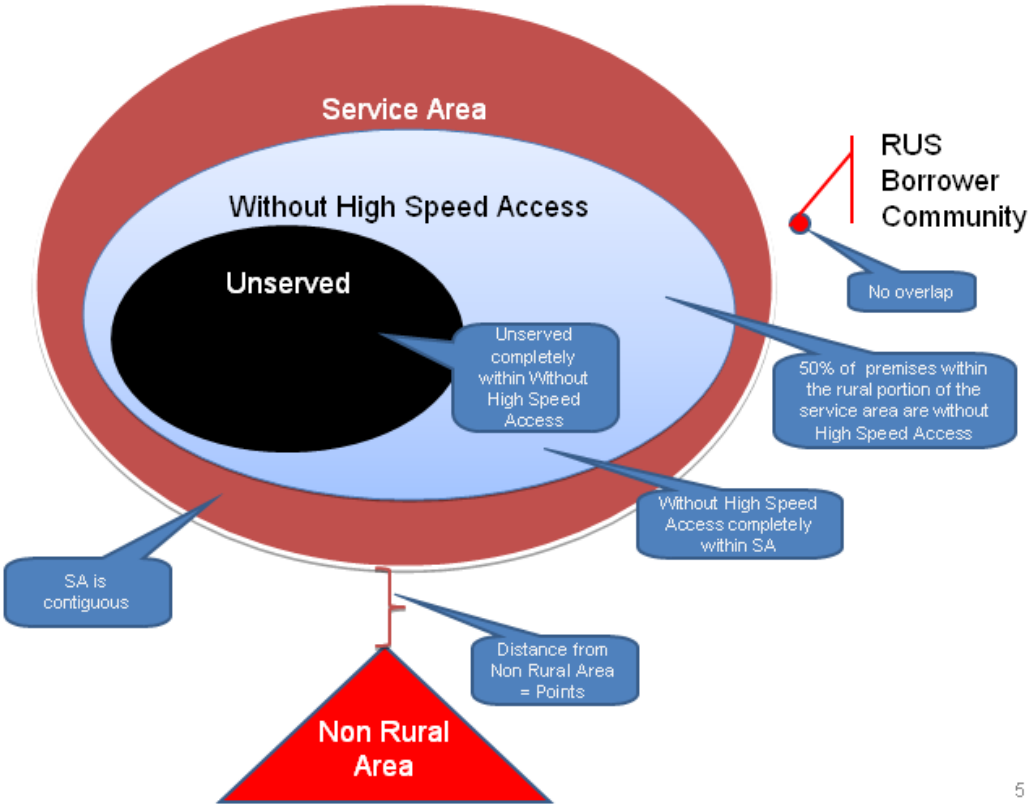
    Entities applying for BIP Infrastructure funding during Round Two must create new service area maps using the Mapping Tool on or after February 16, 2010. BIP Infrastructure applications submitted during Round Two that contain map reference numbers begun prior to February 16, 2010 will result in the disqualification of your Round Two application.

    Please note that the present version of the Mapping Tool identifies the affected census blocks as the applicant draws the project's service area(s). This information is no longer required to apply for funding under BIP and is purely informational in nature. You do not need to provide census block information in your application.

To ensure accurate mapping for **Last Mile** projects:

- Each service area should be drawn as a separate map which will then be rolled up into one single project with a single Map Reference Number
- Each service area shape should be continuous (no gaps)
- The “Unserved” area, if any, should be located within the rural portion of the service area. Please note that “Unserved” areas will also be counted as “Without High Speed Access” because, by definition, they lack access to high speed broadband.
- The “Without High Speed Access” layer for each proposed funded service area must be drawn and must include at least 50% of the households in the rural portion of the PFSA.
- Each and every proposed funded service area in an application must contain 75% or more rural square miles (meaning it cannot overlap non-rural areas by more than 25% of the proposed funded service area’s square miles).
- The names of the service areas drawn in the Mapping Tool must be identical to the names of the service areas entered into Easygrants®.

Please see the illustration below of the elements that should be included in a completed Last Mile project map.

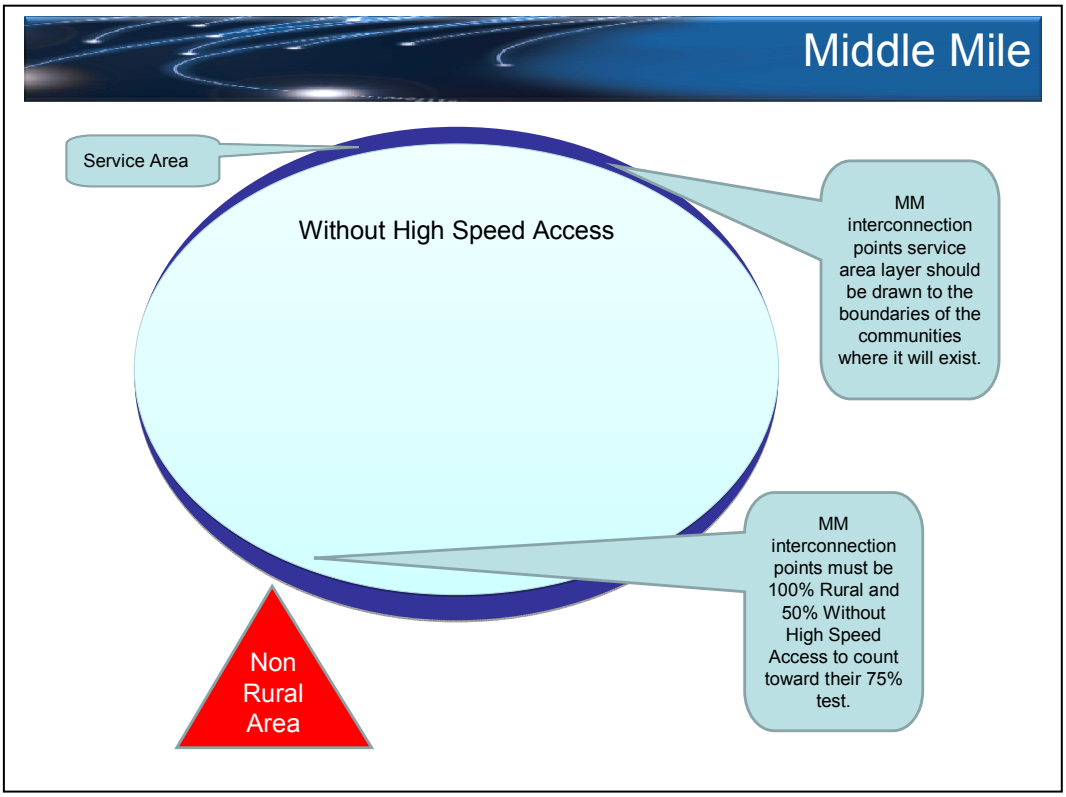


To ensure accurate mapping for **Middle Mile** projects:

- Each interconnection point should be drawn as a separate service area on separate maps which will then be rolled up into one single project with a single Map Reference Number.
- The interconnection point (service area) shape should be drawn to the boundaries of the single community in which the interconnection point will reside and be continuous.
- If the interconnection point (service area) is not in a community, you must select the closest CDP and draw the appropriate service area.
- You do NOT need to draw the “Unserved” layer, but points for this criterion cannot be awarded unless you draw these layers for each interconnection point, as applicable.
- You must draw the “Without High Speed Access” layer for each interconnection point you will use to ensure that at least 75% of the proposed interconnection points are eligible.
- 75% of the total number of funded interconnection points (service areas) for an application must be 100% rural. These interconnection points (service areas) must not touch or overlap a non-rural area.

- You must only draw the interconnection points. Do not attempt to draw the route between the interconnection points on the Mapping Tool.
- The names of the service areas drawn in the Mapping Tool must be identical to the names of the service areas entered into Easygrants®.

Please see the illustration below of the elements that should be included in a completed **Middle Mile** (MM) project map:



10. **Service Area Details** - For <u>each</u> service area, including both PFSAs and non-funded service areas included in this application, where you offer or intend to offer any broadband service, select the "Add" button to provide the following information:

    a) **Project Details Service Areas**

        i. **Is this a PFSA or non-funded service area?** - Please indicate whether each service area is a proposed funded service area or a non-funded service area.

        ii. **Name of Service Area** - Enter the same names that you used or will use on the following attachments: 2 - Communities in PFSA, 10 - Competitor Service Offerings, and 13 - Subscriber Projections and Service Tiers.

iii. **Total Population in the Service Area** - Enter the total population that is located in this service area.

iv. **Total Households in Service Area** - Enter the total number of households that are located in this service area.

v. **Total Businesses in Service Area** - Enter the total number of businesses that are located in this service area. In order to avoid double-counting, do not count business that are also Critical Community Facilities or Public Safety Entities here.

vi. **Total Critical Community Facilities and Public Safety Entities in the Service Area** - Enter the total number of Critical Community Facilities and Public Safety Entities that are located in this service area, even if they are businesses. Confirm that the total number for all of your PFSAs that you enter matches, or will match, the number on the Community Anchor Summary screen in Easygrants®.

vii. **Number of Unserved Households to be served in this Service Area** - An "unserved household" is a household with no existing access to facilities-based, terrestrial broadband service, either fixed or mobile, at the minimum broadband transmission speed of 768 kbps downstream and 200 kbps upstream. A household has access to broadband service if it can readily subscribe to that service upon request. The information provided in this data entry box should be confirmed through the Mapping Tool, which takes 2000 Census data. If you have more recent data, use it instead and explain this data in the Methodology for Area Status text box.

viii. **Premises within the rural portion of the service area without access to 5Mbps service** - Premises are defined as households, businesses, Public Safety Entities, and Critical Community Facilities. If an organization is counted as a CCF or PSE, do not also count it as a business. Premises within a rural area should be designated as either "Unserved" or "Without High Speed Access". When responding to this question, ensure only the premises designated as "Without High Speed Access" are included in this number.

ix. **Total premises within the rural portion of the service area (including without access to 5Mbps service)** - Premises are defined as households, businesses, Public Safety Entities, and Critical Community Facilities. If an organization is counted as a CCF or PSE, do not also count it as a business. Premises within a rural area should be designated as either "Unserved" or "Without High Speed Access". When responding to this question, ensure that only the premises in the rural portion of the service area are included in this number.

x. **Total square miles within this service area** - This information is derived from the Mapping Tool.

xi. **Total rural square miles within this service area** - If this service area does not overlap a non-rural area, this number will equal the total square miles within this service area. If there is a non-rural area present in this service area, the square mileage of the non-rural area within this service area must be deducted from the total given in "Total square miles within this service area" as provided above.

xii. **Shortest number of miles from non-rural area** - If the service area overlaps with a non-rural area, then this number will equal zero. If there is no overlap, indicate the shortest number of miles from the service area to the closest non-rural area.

b) Methodology for Area Status - In the text box, provide a description of the source(s) of data and analytical approaches used to determine the number of premises without access to 5 Mbps service (upstream and downstream combined). Do not exceed 3,000 characters.

11. Technology Type

a) Technology Feasibility - Identify the network technology or technologies that will be used to deliver service linking the customer premises to the proposed broadband system. Check all technology types that apply for the proposed project.

Wireline	**Wireless**
○ xDSL ○ Coaxial cable ○ Fiber-optic cable ○ Broadband over Power Line ○ Hybrid system - *Please specify* ○ Other Wireline - *Please specify*	○ Terrestrial Fixed ○ Terrestrial Mobile ○ Other - *Please specify*
Other - *If Other, please specify the technology in the text box.* *(If you select Other, please note that satellite is not available as an option at this time. Pursuant to the NOFA, guidance on Satellite Project funding will be announced at a later date.)* **Hybrid** - *If hybrid system, please specify in the text box the technology(-ies) and which technology you consider to be the primary infrastructure.*	

12. **Description of Network Openness** - Select the "Add" button to provide an explanation of how the proposed project will commit to the following Nondiscrimination and Interconnection Obligations, as addressed in Section IV(C)(4) of the NOFA:
    - Adhere to the principles contained in the FCC's Internet Policy Statement,[3] as well as any subsequent rulings or statement
    - Not favor any lawful Internet applications and content over others
    - Display any network management policies in a prominent location on the service providers web page and provide notice to customers on any changes to these policies (Awardees must describe any business practices or technical mechanisms they employ, other than standard best efforts Internet delivery, to allocate capacity; differentiate among applications, providers, or sources; limit usage; and manage illegal or harmful content)
    - Connect to the public Internet directly or indirectly, such that the project is not an entirely private closed network
    - Offer interconnection, where technically feasible without exceeding current or reasonably anticipated capacity limitations, on reasonable rates and terms to be negotiated with requesting parties. This includes both the ability to connect to the public Internet and physical interconnection from the exchange of traffic

    Review Section IV(C)(4) of the NOFA in its entirety to ensure you understand the requirements. You must describe how you plan to meet these requirements. In addition, describe the interconnection, non-discrimination and network management practices that your organization will adopt should it receive BIP funding. Do not exceed one page of text.

13. **Project Budget Infrastructure**

    a) **Capital Project Budget** - Complete the Capital Project Budget table in Easygrants® with information on the proposed project's capital budget and the proposed sources of funding for each line item in the table. These totals must include ALL project capital costs and match the project capital costs included in Attachment 22 - Project Capital Investment Workbook.

    b) **Is the applicant seeking a waiver of the 75-25 grant-to-loan ratio?** - Easygrants® calculates and displays the Grant Request as a percentage of the Total Requested Award. Applicants requesting more than a 75 percent grant component must request a waiver demonstrating their need for additional grant funding. If your response to the question "*Is the applicant seeking a waiver of the 75-25 grant-to-loan ratio?*" is "Yes,"

[3] FCC 05–151, adopted August 5, 2005, commonly referred to as the 'Net Neutrality' requirement.

select the “Add” button to provide your justification for the waiver request.

Please note that the waiver request must include information on the following factors, which will be used by the Administrator when considering the request.

i. **Distance from Non-Rural Areas** - The distance from the focus of the proposed funded service area(s) to the closest non-rural area

ii. **Rural Area Targeting** - The percentage of the proposed funded service area that is above the 75% requirement

iii. **Density** - The density of the proposed funded service area, calculated from the population and area totals of the proposed funded service areas taken from the Mapping Tool

iv. **Median Household Income** - The median household income of the proposed funded service area(s), comparing the county median household income to that of the State median income level. For applications serving multiple counties, the Administrator will weigh the percentages of all counties

v. **Unemployment** - The state unemployment level compared to the National Unemployment Level in the state(s) of the proposed funded service area(s). For applications serving multiple states, the Administrator will weigh the percentages in each State

If the waiver request is denied, the application may be adjusted by the Agency if an award is offered, or it may be placed in the Second Review process where you may have an opportunity to revise your funding request. Please note that the Administrator may award grants up to 100 percent at his discretion.

c) Premises Passed - This is a calculated field based on the total numbers of Households, Businesses, and Critical Community Facilities/Public Safety Entities in all of the proposed funded service areas entered in the Service Area Details screen.

d) Cost per Premises Passed - This is a calculated field based on the total requested BIP award amount (Grant Request plus Loan Request) divided by the total number of Premises Passed.

e) Is the applicant seeking a waiver of the $10,000 per premises passed requirement? (Last Mile only) - RUS will limit Federal assistance for Last Mile projects under this NOFA to $10,000 per premises passed, unless a waiver is requested from the Administrator. This is designed to leverage the available funding to the greatest extent possible to ensure that broadband service is provided to the largest number of rural premises possible. If you are seeking a waiver of this

requirement, select the “Add” button to provide your justification for the waiver.

Please ensure to include information on the following factors in your waiver request, as these factors are taken into consideration by the Administrator when reviewing this waiver request:

i. Number of Critical Community Facilities

ii. A recognized rural regional development plan

iii. Support of public safety projects

iv. Enhancing broadband service to rural libraries

v. Support of persistent poverty counties or chronically unserved areas such as Tribal lands

If the waiver request is denied, the application may be adjusted by the Agency if an award is offered, or it may be placed in the Second Review process, where you may have an opportunity to revise your funding request.

14. **Self Scoring Screen** - Applicants are strongly encouraged to use the Self Scoring screen to review their applications so they can ensure they have sufficiently addressed major items and receive the highest possible score on their application. Points will be awarded in whole numbers only (no decimals). Note that several categories offer a discrete range of possible points, and others only offer points if a criterion is fully met.

    Each scoring criterion is presented below, in order, with a scaled chart showing how the points are awarded. Please use this self-scoring guidance to calculate the scores that you enter into the Self Scoring screen in Easygrants®.

Criterion 1. Proportion of Rural Residents Served in Unserved Areas (10 points)

Explanation	Guidance	Possible Score	Self Score
Points will be awarded for serving rural residents located in unserved areas. For every 10 percent of unserved households compared to the total BIP-funded households to be served that will receive broadband service, one point will be awarded up to a maximum of ten points. For Middle Mile projects, this will be based on the location of the interconnection points.	<10%	0	
	10 - 19%	1	
	20 - 29%	2	
	30 - 39%	3	
	40 - 49%	4	
	50 - 59%	5	
	60 - 69%	6	
	70 - 79%	7	
	80 - 89%	8	
	90 - 99%	9	
	100%	10	

Criterion 2. Rural Area Targeting (10 points)

Explanation	Guidance	Possible Score	Self Score
Points will be awarded for exceeding the 75 percent rural area service requirement. For every 5 percent increase in the total proposed funded service area that is above 75 percent rural, two points will be awarded up to a maximum of ten points. For Middle Mile projects, this will be based on the location of the interconnection points.	<80%	0	
	80 - 84%	2	
	85 - 89%	4	
	90 - 94%	6	
	95 - 99%	8	
	100%	10	

Criterion 3. Distance from Non-Rural Areas (5 points)

Explanation	Guidance	Possible Score	Self Score
One point for each additional ten miles that at least one proposed funded service area is located away from the closest non-rural area, up to a total of five points. For applicants with multiple service areas, this calculation will be based on the service area closest to the non-rural area. For Middle Mile projects, this will be based on the location of the community where the interconnection points are located.	<10 miles	0	
	10 - 19 miles	1	
	20 - 29 miles	2	
	30 - 39 miles	3	
	40 - 49 miles	4	
	≥50miles	5	

Criterion 4. Title II Borrowers (8 points)

Explanation	Guidance	Possible Score	Self Score
Eight points will be awarded to applications which are submitted by entities which have borrowed under Title II of the RE Act.	Choose yes or no	8	

Criterion 5. Other Recovery Act Awards (5 points)

Explanation	Guidance	Possible Score	Self Score
Five points will be awarded for cooperation with a Recovery Act award where collaboration would lead to greater project efficiencies.	Choose yes or no	5	

Criterion 6. Performance of the offered service (10 points)

Explanation	Guidance	Possible Score	Self Score
(a) For Last Mile Projects:			
• For wireline projects that are constructed to deliver a minimum of 5 Mbps service to the premises (upstream and downstream combined), five points will be awarded. For wireline projects that are constructed to deliver a minimum of 20 Mbps service to the premises (upstream and downstream combined), ten points will be awarded. • For wireless projects that are constructed to deliver a minimum of 3 Mbps service to the end user (upstream and downstream combined), eight points will be awarded. • For mobile wireless projects that are constructed to deliver a minimum of 3 Mbps service to the end user (upstream and downstream combined), ten points will be awarded. For combination systems, scoring will be based on the predominant technology used.	Wireline ≥5 Mbps	5	
	Wireline ≥20 Mbps	10	
	Wireless ≥3 Mbps	8	
	Mobile Wireless ≥3 Mbps	10	
(b) For Middle Mile Projects:			
For Middle Mile projects that are constructed to deliver 100 Mbps service to all interconnection points in their network, ten points will be awarded.	Answer yes, no, or N/A	10	

Criterion 7. Services to Critical Community Facilities and Small Disadvantaged Businesses (6 points)

Explanation	Guidance	Possible Score	Self Score
Four points will be awarded to applications proposing to offer discounted rate packages to all critical community facilities in the proposed funded service area(s) that are at least 25 percent lower than the proposed base rate packages for at least 3 years. Two points will be awarded for applications that are proposing to offer discounted rate packages at least 25 percent lower than the proposed base rate packages to SDBs in the proposed funded service area for at least 3 years. For applications providing both types of discounts, 6 points will be awarded.	Answer yes or no	4	
	Answer yes, no, or N/A	2	
	If yes for both	6	

Criterion 8. Applicant's organizational capability (10 points)

Explanation		Guidance	Possible Score	Self Score
Up to 10 points will be awarded based on the strength of the project's management team. RUS will evaluate past performance and accomplishments and award points accordingly as follows:				
Previous Experience Executing Projects of Similar or Larger Scale		None	0	
		1 project	1	
		2-6 projects	2	
		7+ projects	3	
Type of Project		No similar experience	0	
		Slightly related projects	1	
		Similar projects	2	
		Identical projects	3	
Average years of Experience Demonstrated by Key Personnel Applies to CEO, General Manager, Chief Technology Officer (CTO), etc.	For proposed projects of $5 million or more	<2 years	0	
		3-7 years	1	
		8-10 years	2	
		11+ years	3	
	For proposed projects under $5 million	<2 years	0	
		2 years	1	
		3 years	2	
		4+ years	3	
Previous experience of management team working together At least three members of the management team must have the same project listed on their resume to qualify.			1	

Total points for this criterion cannot exceed 10.

Criterion 9. Small Disadvantaged Businesses (3 points)

Explanation	Guidance	Possible Score	Self Score
Three points will be awarded to applicants that meet the definition of a socially and economically disadvantaged small business concern under section 8(a) of the SBA.	Answer yes or no	3	

Criterion 10. Leverage of outside resources (10 points)

Explanation	Guidance	Possible Score	Self Score
Up to 10 points will be awarded based on the amount of outside resources contributed to the total financing provided under BIP: a. 10 points if this ratio is greater than 100%. b. 7 points if this ratio is between 99% and 75%. c. 5 points if this ratio is between 74% and 50%. d. 3 points if this ratio is between 49% and 25%. e. 0 points if the ratio is less than 25%. Outside resources are limited to new investments that are proposed to support the project and do not include any existing assets that the applicant(s) already owns or has rights to or any revenues generating from the operations.	<25%	0	
	25 - 49%	3	
	50 - 74%	5	
	75 - 99%	7	
	≥100%	10	

Criterion 11. Extent of grant funding (15 points)

Explanation	Guidance	Possible Score	Self Score
Up to 15 points will be awarded based on the amount of grant funds requested in relation to the total amount of the award requested. a. 0 points if requesting a grant greater than 70% b. 5 points if requesting a grant between 51% and 70%. c. 10 points if requesting a grant between 16% and 50%. d. 15 points if requesting a grant between 0% and 15%.	>70%	0	
	51 - 70%	5	
	16 - 50%	10	
	0 - 15%	15	

Criterion 12. For Last Mile Projects Only: Cost Effectiveness (8 points)

Explanation	Guidance	Possible Score	Self Score
Up to 8 points will be awarded for projects that promote cost effectiveness of federal assistance, based on cost per premises passed. To calculate the cost per premises passed, the applicant shall divide the total award requested in the application by the total number of premises passed. a. 2 points if cost per premises passed is <$8,000. b. 4 points if cost per premises passed is <$7,000. c. 6 points if cost per premises passed is <$6,000. d. 8 points if cost per premises passed is <$5,000.	≥$8000	0	
	$7000 - $7999	2	
	$6000 - $6999	4	
	$5000 - $5999	6	
	<$5000	8	

15. **Uploads** - This screen shows all of the attachments that will be needed to support your application for BIP funding. The instructions for all attachments are provided in separate sections in the remainder of this Application Guide, grouped as follows:
    - Attachments 1 through 9 - General
    - Attachments 10 through 16 - Network Information
    - Attachments 17 through 29 - Financial Information

    Some of the attachments are required only for applicants who have chosen to submit multiple applications, so read the instructions for each attachment carefully.

    You are strongly encouraged to use the templates that have been developed for the applicable attachments. If an attachment has a template, the template can be downloaded directly from the Uploads screen in Easygrants®. When you save the attachment to your own computer, please retain the original file name. If you must alter the file name, please append the phrase " - MOD" to the end of the original file name to retain the BIP numbering / naming conventions. This will facilitate the review of your application.

    Please follow these instructions to upload your documents:

    a) Download the template (link in right column) and save the file to your computer. It is STRONGLY recommended that you use the template provided.

    b) Open the file and enter the required information. Refer to this Application Guide for more information about the requirements for each document.

    c) Some of the files are MS Excel workbooks. Be sure to complete each applicable worksheet within the workbook.

    d) Selected uploads are not required for all applicants to submit. For example, an applicant who submits a single application is not required to submit Attachment 21 - Consolidated Financial Reconciliation Schedule - Multiple Applications.

    e) Save the file on your computer in a permitted format - .doc, .docx, .pdf, .rtf, .xls, or .xlsx. The system will not accept documents that are not of a permitted file type. Those that are not of a permitted file type, such as MS PowerPoint documents, should be saved as PDFs before uploading.

    f) Select the document you wish to upload from the drop-down menu below, and select Upload. Please note, more than one file can be uploaded to any given Upload category. Files may be attached and deleted as often as necessary up until the application is submitted.

    g) You will be taken to an upload editor with additional instructions.

    If an upload requires a signature, you must print, complete, obtain signatures, scan electronically, and then upload as an attachment to the application.

C. Attachments 1 through 9 - General

1. **Attachment 1 - Legal Opinion** - Use this template to address your ability to execute legal documents if funding is awarded to your organization and to describe all pending litigation matters. Your legal counsel must submit an executed opinion on counsel's letterhead. In addition, for loan and loan/grant combinations, this opinion must address your organization's ability to pledge security as required by the award documents. The language in the legal opinion can be modified to accommodate co-applicants (which must be included, if any), or a separate legal opinion can be submitted for each co-applicant.

2. **Attachment 2 - Communities in PFSA** - A community is the name of a place that appears in American FactFinder (http://factfinder.census.gov), a source of data from a variety of Census Bureau sources. Use the template for Attachment 2 - Communities in PFSA to submit the following information.

   For each Proposed Funded Service Area (PFSA) in your project (the number and names of which must be consistent with the maps created using the Mapping Tool), use this template to list the PFSA name and identify all communities, census designated places, or other areas (including tribal lands) within the PFSA. For each community/area, include the state and county where it is located and whether it is rural (Y or N). For Middle Mile projects, provide the information for the communities/areas in which the interconnection points terminate.

   Example:

PFSA Name	State	County	Community/Area Name	Rural? (Y/N)
Rio Grande	NM	Socorro	Alamo	Y
Rio Grande	NM	Socorro	Magdalena	Y
Rio Grande	NM	Catron	Reserve	Y
Rio Grande	NM	Sierra	Elephant Butte	Y
Rio Grande	NM	Sierra	Truth or Consequences	Y
Rio Grande	NM	Sierra	Williamsburg	Y
Silver City	NM	Grant	Bayard	Y
Silver City	NM	Grant	Hurley	Y
Silver City	NM	Grant	Silver City	Y
Silver City	NM	Grant	Santa Clara	Y

   In the area provided above the table in the template, be sure to include your methodology for determining whether the communities are rural or non-rural.

3. **Attachment 3 - Recovery Act Collaboration** - Attach here any evidence you have of the Recovery Act collaboration you described on the Project Information screen in Easygrants®. For example, attach evidence of a

Recovery Act award or a letter from another organization that received a Recovery Act award. There is no template for this attachment.

4. **Attachment 4 - Equal Opportunity and Nondiscrimination Certification** - Complete this certification by adding your organization's name, the date, and the signature, printed name, and title of your authorized representative.

5. **Attachment 5 - Certification Regarding Architectural Barriers** - Complete the certification by adding your organization's name, the date, and the signature, printed name, and title of your authorized representative.

6. **Attachment 6 - Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 Certification** - Complete this certification by adding your organization's name, the date, and the signature, printed name, and title of your authorized representative.

7. **Attachment 7 - Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions** - Complete this certification by adding your organization's name, the date, and the signature, printed name, and title of your authorized representative.

8. **Attachment 8 - Certification Regarding Lobbying for Contracts, Grants, Loans, and Cooperative Agreements** - Complete this certification by adding your organization's name, the date, and the signature, printed name, and title of your authorized representative.

9. **Attachment 9 - Environmental Questionnaire**

   a) **Environmental Review Requirements**

   Any project-related activity that may adversely affect the environment must not be undertaken prior to the completion of RUS' environmental review process. You should follow the instructions provided in Attachment 9 - BIP Environmental Questionnaire (EQ) as well as those indicated below. RUS requests that you provide your responses in a standalone document (the EQ) and append to that document any required maps, resource listings, and correspondence, as applicable. You must not reference items provided in other parts of the application package; all materials relevant to providing a complete answer to the items in the questionnaire must be integrated into the responses in order to facilitate a timely review. Upload supplemental information (for example, relevant environmental studies, other environmental review documents submitted to other state or federal agencies, site or aerial photographs, etc.) as separate attachments within this Upload category. Clearly label all documents as well as file names.

In order to avoid a duplication of effort, you may submit a copy of any environmental review document(s) that was prepared in connection with obtaining permits, approvals, or other financing for the proposed project from state, local, or other federal agencies. That environmental review document(s) may be used to meet the EQ's requirements; however, any questions in the EQ that are not specifically addressed in the environmental review document must be addressed separately and submitted to RUS.

RUS uses your completed EQ to identify the potential environmental impacts of proposed projects and determine the level of environmental review required to comply with the National Environmental Policy Act (NEPA), Section 106 of the National Historic Preservation Act (NHPA), and other related requirements, as referenced in the EQ and RUS Environmental Policies and Procedures (7 CFR 1794).

The environmental issues of concern for BIP project activities include the potential to adversely affect or convert wetlands, floodplains, threatened and endangered species, migratory birds and bats, historic properties, and archeological sites. Consequently, you are requested to plan your project to avoid or minimize such impacts. Doing so not only meets the intent of federal environmental policy goals, but applications with environmental issues that cannot be resolved in a timely manner may be unable to meet RUS' schedule for awards and tight American Recovery and Reinvestment Act of 2009 (ARRA) construction schedules and requirements.

It is important to understand that the above-referenced environmental review requirements are not unique to RUS-funded activities. All proposals funded under the ARRA must comply with NEPA, the NHPA, and all other applicable federal, state, and local environmental laws. In accordance with the President's Council on Environmental Quality's (CEQ) implementing regulations for NEPA (40 Code of Federal Regulations [CFR] 1500); all federal agencies must independently review and assess each proposal's potential to impact the human environment, including cultural resources and historic properties. Consequently, you must prepare and submit appropriate environmental information so that RUS can take into account the full scope and environmental impact of all project-related activities.

Before submitting an application, you are encouraged to read the Environmental Review Process Helpful Tips and become familiar with the requirements of NEPA. These materials are available at http://www.BroadbandUSA.gov. You should also review the list of classes of actions or project types that require differing levels or degrees of environmental impact analyses in RUS' environmental policies and procedures. See RUS' 7 CFR 1794.

b) Completing the Environmental Questionnaire

The EQ contains a list of 10 questions or items requiring a response, most of which require supporting documentation or maps. Specific instructions are contained under each item in the EQ and will not be repeated here. All of the EQ items must be completed or the application may be considered incomplete. If an item is not applicable, please enter "N/A" instead of leaving the section blank.

Below are supplemental requests and additional guidance for each item, to be used in your response.

i. **Project Description and Location** - To avoid delays in the review, this description must accurately discuss ALL construction-related activities proposed in the application.

ii. **Map** - If possible, locations of all proposed activities must be indicated and clearly depicted on each map submitted. If specific locations of project components are unknown, then proposed service area territories must be delineated on any map(s) created. The map is required in order to verify locations of the proposed construction activities or service territories and will assist RUS in making its environmental determinations. More than one map may be necessary in order to convey the information required to facilitate the review.

iii. **Property Changes** - No additional guidance is offered for this item; the instructions on the EQ are self-explanatory.

iv. **Buildings** - For buildings or structures that are listed or are eligible for listing on the National Register of Historic Places, please see EQ item viii. For all other buildings or structures, you should provide accurate dimensions and complete descriptions of proposed construction and/or modifications.

v. **Wetlands** - If a project occurs in or near, or has the potential to affect, a wetland, applicants must provide additional information, such as maps or documentation of whether any permits or correspondence with the US Army Corps of Engineers (USACE) or other responsible federal or state agencies have been obtained. In some cases, this may be in the form of a letter from the USACE or another federal agency responsible for oversight. For buried cabling, state whether a USACE Nationwide Permit will be used.

vi. **Threatened and Endangered Species** - In addition to the link provided in the EQ, it may be useful to visit the FWS webpage at http://www.fws.gov in order to find the list of species by county. If a threatened or endangered species is listed in the area of the proposed project, you may be required to consult with the USFWS upon the award of your proposal. However, in the EQ, applicants must provide species information and determine whether any critical

habitat crucial to those species is present and will be affected in the project area.

vii. **Floodplains** - A FIRMette is a full-scale section of a FEMA Flood Insurance Rate Map that you can create online and is formatted to fit on printers commonly found in offices. There is no cost for creating a FIRMette. Buildings or habitable structures within the 100-year floodplain must demonstrate compliance with local floodplain ordinances.

viii. **Historic Properties** - The response must document actions you took to respond to this item and the information that was gathered. You must contact the appropriate State Historical Preservation Officer/Tribal Historical Preservation Officer (SHPO/THPO) as soon as possible. All responses or comments received from the SHPO/THPO must be submitted with the EQ. RUS will evaluate the submitted information in order to determine how to conclude the Section 106 review. If the SHPO/THPO is not forthcoming with information, then you should state this fact in your response, including the date when the SHPO/THPO was contacted.

ix. **Coastal Areas** - State coastal zone management (CZM) programs that have received approval from the National Oceanic and Atmospheric Administration (NOAA) may review any proposed federal assistance to a state or local government entity for an activity that is listed in the state's management program as a type of activity that will (a) have a reasonably foreseeable effect on any coastal use or resource, and (b) occur within the coastal zone (see 15 CFR 930.95(a)) or within a described geographic area outside of the coastal zone (see 15 CFR 930.95(b)). You must provide to the state's CZM office a copy of the application along with a brief evaluation of the relationship of the proposed project and its reasonably foreseeable coastal effects to the enforceable policies of the state's management program. However, these requirements only apply to Catalogue of Domestic Assistance funds that each coastal state has specifically listed that it wants to review for consistency purposes.

You should consult with the state as to whether BIP funds are listed for review. If the state agency responsible for consistency reviews intends to review the project, then you are obligated to notify RUS. In this instance, RUS will not approve the release of Federal funds until the state agency completes the federal consistency review and concurs that the project is consistent with the enforceable policies of the state's CZM program.

x. **Brownfields** - If a proposed project is located within a brownfield site, then you should contact the appropriate state regulatory authority responsible for hazardous waste contamination issues to determine whether there are any restrictions or regulations regarding

development of the site. If there are restrictions, then you must provide that information in the application along with an analysis of how any such restriction could affect the proposed construction, including any potential mitigation measures that the state or EPA recommends.

c) Resources

Should you have any questions, or need advice or help in understanding and complying with the BIP environmental review process, feel free to contact RUS:

Mark S. Plank, Director
Engineering and Environmental Staff
Rural Utilities Service
1400 Independence Ave., SW
Mail Stop 1571, Room 2242
Washington, DC 20250
Phone 202-720-1649
Fax: 202-690-0649

List of Internet Environmental and Historic Preservation Resources

Resource	Website
Advisory Council on Historic Preservation (ACHP) for guidance on the Section 106 review	http://www.achp.gov
Bureau of Land Management (BLM) Web site (U.S. Department of the Interior [DOI]) for issues related to government managed lands	http://www.blm.gov/wo/st/en.html
White House Council on Environmental Quality (CEQ) Web site for guidance on NEPA issues	http://www.whitehouse.gov/ceq
CEQ NEPA site, NEPAnet for guidance and information concerning environmental review process	http://www.nepa.gov/nepa/nepanet.htm
US Environmental Protection Agency (EPA) Web site for general regulatory environmental information	http://www.epa.gov
EPA NEPA compliance Web site	http://www.epa.gov/Compliance/nepa/epacompliance/index.html
EPA Regional Office Contacts	http://www.epa.gov/epahome/regions.htm
FEMA Regional Offices for regional information related to flood plain development issues	http://www.fema.gov/about/contact/regions.shtm
Local Emergency Planning Committee Database Web site (for hazardous materials)	http://yosemite.epa.gov/oswer/lepcdb.nsf/HomePage

Resource	Website
National Association of Tribal Historic Preservation Officers (NATHPO) Web site	http://www.nathpo.org/THPO/state_list.htm
National Conference of State Historic Preservation Officers (NCSHPO) contact information	http://www.ncshpo.org/stateinfolist/fulllist.htm
National Register of Historic Places Web site	http://www.nps.gov/nr
NEPA statute	http://www.nepa.gov/nepa/regs/nepa/nepaeqia.htm
National Oceanic and Atmospheric Administration (NOAA) Coastal Zone Management Program for information on coastal development issues	http://oceanservice.noaa.gov/topics/coasts/management/welcome.html
USDA Web site	http://www.usda.gov/wps/portal/usdahome
USDA National Resource Conservation Service (NRCS) Web site	http://www.nrcs.usda.gov
U.S. Fish and Wildlife Service Web site (U.S. DOI) for issues related to Endangered Species	http://www.fws.gov
U.S. Forest Service (USDA) for Issues Related to Projects on Forest Service Managed areas	http://www.fs.fed.us/publications
USACE Wetlands Information	http://www.wetlands.com/regs/tlpge02c.htm
USACE Wetlands Delineation Manual	http://www.wetlands.com/regs/tlpge02e.htm
USDA RUS Environmental Review Information	http://www.usda.gov/rus/water/ees/pdf/1794.pdf http://www.usda.gov/rus/water/ees/pdf/1794A-603.pdf

D. Applicant Checklist for Attachments 1 through 9

Use the checklist below to help ensure that you have supplied key information in Attachments 1 through 9.

Applicant Checklist for Attachments 1 through 9	
1. Legal Opinion	
Is your legal opinion executed by an independent attorney or General Counsel?	☐
Did you include all of your co-applicants in the legal opinion (separate legal opinions for each co-applicant are also acceptable)?	☐

Applicant Checklist for Attachments 1 through 9	
2. Communities in the PFSA	
Did all of your community names appear in American FactFinder (http://factfinder.census.gov)?	☐
Did you fill in every section of the table for every community included in each PFSA?	☐
3. Recovery Act Collaboration	
Did you include documentation for each of your Recovery Act collaborations?	☐
Are all five of the following certifications signed by your authorized representative? **4. Equal Opportunity and Nondiscrimination Certification** **5. Certificate Regarding Architectural Barriers** **6. Uniform Relocation Assistance Certification** **7. Certification Regarding Debarment** **8. Certification Regarding Lobbying**	☐
9. Environmental Questionnaire	
Did you submit all of the information/attachments requested in the questionnaire?	☐

E. Attachments 10 through 16 - Network Information

10. **Competitor Service Offerings** - All applicants must conduct a competitive analysis in their service area(s) to determine the level of competition that exists and to ensure that they offer competitive prices. Use the application template to describe the services currently being advertised by competitors in each service area for Last Mile projects. For Middle Mile projects, use the template to describe the competing Middle Mile services offered in those communities within which Middle Mile applicants propose to construct interconnection points. For a discussion of how to construct a service area around a community with a proposed interconnection point, see the guidance on using the Mapping Tool located above in this Application Guide.

    If the number of competitors is greater than the number of available rows, you may add additional rows. Also, ensure that the names used to identify the service area(s) match those identified in the Mapping Tool and any PFSAs included on Attachment 2 - Communities in PFSA.

    Be sure to consider all competitors, including satellite and cellular data service providers. If there are no competitors for a service area, you should indicate this within the attachment. **For Last Mile projects, be sure to**

include both the downstream AND upstream speeds of competitors' service offerings.

Definitions

- **Downstream:** Network traffic flow from main aggregation point - to the subscriber
- **Upstream:** Network traffic flow to main aggregation point - from the subscriber
- **Kbps:** Kilobit per second. 1000 kbps = 1 Mbps

A completed table for Last Mile services should resemble the table below. Save your changes to your attachment before uploading it into Easygrants®.

Sample Competitor Service Offerings Table:

Service Area	Last Mile Services Provider	Technology Platform	Service Tier	Advertised Residential Offering		Advertised Business Offering	
				Dwnstrm/ Upstrm (kbps)	Price	Dwnstrm / Upstrm (kbps)	Price
Rio Grande	**Acme Wireless**	EVDO Rev. A	Entry Level Plan	1500 / 500 kbps	$45.99	3000 / 1000 kbps	$109.00
			Highest Speed Plan				
			Other Plans (e.g. Mid-Tier Plan)				
	ABC Corp.	ADSL	Entry Level Plan	512 / 256 kbps	$59.99	1000 / 512 kbps	$99.99
			Highest Speed Plan				
			Other Plans (e.g. Mid-Tier Plan)				

11. **System Design** - Provide a detailed explanation of all existing and proposed network systems for all service areas. Identify the technology type to be used (for example, fiber-to-the-home [FTTH], Digital Subscriber Line [DSL], etc.), and describe the dominant design principles guiding the network's construction. The requested information falls into several categories (listed below), and includes details related to potential reliance upon other networks for Middle Mile or third-party support. If the application includes multiple service areas and all systems are based on the same design, you must explicitly state so, and address any variances necessary among the service areas.

    When referring to each service area, use the same names that were entered into the Service Area Details screen in Easygrants®. These should further match the names of any PFSAs included on Attachment 2 - Communities in the PFSA. To the extent currently known, please include a detailed account of the layout of the system and the design requirements and assumptions used to arrive at your design. Also explain how much you will rely on contractors or vendors to deploy the network facilities proposed in this application.

    Save your changes to your attachment before uploading it into Easygrants®.
    Categories

    a) **Description of Each Service Offered** - Provide a description of the service offering from the subscriber's perspective and the terms and parameters of service.

    b) **Technology Type and Infrastructure Architecture** - Describe the architectures that support each service offering, types of technology used, and rationale to support selection of that technology. Please denote dependency on third-party providers.

        Elaborate on any noteworthy aspects of the design that would aid in understanding the proposed system, such as the use of high performance equipment, special deployment techniques, construction techniques, etc.

        Detail the type of customer premises equipment (CPE) to be deployed. For wireless systems, indicate whether the equipment will require external antennae, whether it will be mobile, etc.

    c) **Geography and Topography** - List the number of critical community facilities, number of COs, aggregation points, and miles of fiber for each PFSA. Also include a description of demographic density as it relates to the proposed network.

    d) **Design Requirements** - List design parameters. Examples include oversubscription percentage, consumption of bandwidth per user, penetration rates, link loss, availability targets, redundancy requirements, and criteria for candidate vendors.

e) Other - Use this space to address any other subject areas necessary to make as thorough a disclosure as possible, so that network capacity, performance, user loading, technology strengths and weaknesses, etc. can be fairly assessed.

12. Network Diagram - For this attachment you must submit network diagrams for your existing and proposed network(s). The network diagrams should be block diagrams that clearly show how traffic flows through the network, from the interconnection points with the backbone service providers to the end user. The focus of the diagram should be on the specific components linking the network together, without losing the exact number of lower-layer connections to each node or aggregation point. Describe any connection redundancy and resilience as applicable. For those submitting multiple applications, network diagrams must be specific to each application. Please note that for projects over $1M, your Network Diagrams must be certified by a professional engineer on Attachment 15 - Professional Engineer Certification (see instructions below).

The diagram(s) must clearly show:

a) All physical locations where the major network elements are or will be located to the highest known level of detail. This may take the form of postal addresses or latitude and longitude

b) The route miles between each network element

c) The bandwidth capacity between the network elements

d) The types of facilities (fiber, copper, microwave, etc.) that are or will be used for establishing the connection between the network elements and the points-of-connection with the backbone service providers

e) The proposed Aggregation Node facilities that will provide the egress point(s) from the broadband backbone network to the networks of the selected VOIP telephony provider(s) and the selected ISP(s), and any other value-added services that may be provided in the new infrastructure

f) Any leased facilities, along with the location of the leased facilities (postal addresses or latitude and longitude) and the providers from which the facilities are being leased

g) For Network Diagrams where the level of factual detail to be provided will inhibit the overall understanding of the diagram, applicants may provide a table at the bottom of the diagram providing the remaining technical details to the extent currently known

There is no template for this attachment, but the Appendix at the end of this Application Guide contains examples of Network Diagrams for the following

technologies: Passive Optic Networks (PON), DSL, Hybrid Fiber-Coaxial (HFC), Radio Frequency over Glass (RFOG), and Terrestrial Wireless. Note that the example Network Diagrams do not display every home or premises passed but will indicate the typical number of connections reaching to each node (as represented with the letter n). A good Network Diagram will illustrate every type of connection to be used and will identify the number of connections to be made in this manner.

13. **Subscriber Projections and Service Tiers** - Provide information on projected subscribers broken down by service area, service offering (IP Data, Video, or Voice), service type, tier, and year.

    The standard template for this attachment consists of a single worksheet. If you are reporting information for more than one service area, you should copy the blank worksheet as many times as necessary to complete it once per service area listed in the application.

    The standard worksheet in this template breaks information down into the following tables:

    a) IP Data Services (required)
    - Residential
    - Commercial
    - Critical Community Facilities and SDBs

    b) Video Services (fill in only if offered)
    - Residential
    - Commercial
    - Critical Community Facilities and SDBs

    c) Voice Services (fill in only if offered)
    - Residential
    - Commercial
    - Critical Community Facilities and SDBs

    Use the tables to illustrate the broadband service offerings and subscriber counts you currently provide and expect to provide within the next 5 years. The tables break down subscribership into residential offerings, commercial offerings, and Critical Community Facilities / SDBs. There is room for multiple service tiers for each classification, and year-by-year estimates for subscriber counts in the first 5 years.

    Note that the subscriber numbers provided should be cumulative year-end counts, NOT the number of new subscribers added each year. Also note that subscribers who subscribe to more than one type of service should be counted on multiple tables. For example, a household that subscribes to both IP Data Services and Voice Services should be counted on both tables.

Definitions

- **Downstream:** Network traffic flow from main aggregation point - to the subscriber
- **Upstream:** Network traffic flow to main aggregation point - from the subscriber
- **Kbps:** Kilobit per second. 1000 kbps = 1 Mbps

a) Advertised Tier Definitions - For each service offering to potential subscribers, enter the applicable downstream and upstream speeds.

i. You may change the "Tier Designator" label for each tier to provide the name for each tier, but this is not required.

ii. Speeds are entered in kbps. Available tiers greater than 1 Mbps should be multiplied by 1000 to scale correctly. Example: A service tier offered at 5Mbps downstream and 1Mbps upstream would be represented as 5000kbps and 1000kbps, respectively.

b) Currently Offered Service - Enter Y or N to indicate whether you currently offer this tier of service.

c) Current Subscribers - For each tier, enter the number of current subscribers.

d) Subscriber Projections (total End of Year [EOY]) - For each tier, enter the total number of subscribers who are anticipated to be subscribed to that tier at the end of each year of operation. This is a total number at that point in time and not an incremental number.

e) Price - For each tier, enter the dollar amount charged to customers. In the case of bundled services, the price is the amount that would be charged for this service only. Note that in order to receive scoring points for the Socially and Economically Disadvantaged Small Business Concern scoring item, the prices listed must be 25% less for the service offering provided to these entities. For more information, refer to Criterion 7 in the Self Scoring Screen section of this Application Guide and to the Round Two NOFA.

f) Wireless or Wireline? - For each service tier, indicate whether the service is a wireless or wireline offering.

g) Last Mile/Middle Mile - For each service tier, indicate whether the offering is Last Mile or Middle Mile.

Note on Scoring Implications

For Last Mile Projects: For wireline projects constructed to deliver a minimum of 5 megabits per second service to the premises (upstream **plus** downstream ≥ 5 Mbps), 5 points will be awarded. For fixed wireline projects that are constructed to deliver a minimum of 20 megabits per second service to the premises (upstream **plus** downstream ≥ 20 Mbps), 10 points will be awarded. For wireless projects that are constructed to deliver a minimum of 3 megabits per second service to the end user (upstream **plus** downstream ≥ 3 Mbps), 8 points will be awarded. For mobile wireless projects that are constructed to deliver a minimum of 3 megabits per second service to the end user (upstream **plus** downstream ≥ 3 Mbps), 10 points will be awarded.

For projects that are a combination of wireline and wireless projects: Scoring will be based on the predominant technology used (determined by the technology that is providing service to the greatest number of premises).

For Middle Mile Projects: For Middle Mile projects that are constructed to deliver 100 megabits per second service to all end points in their network, 10 points will be awarded.

Save your changes to your attachment before uploading it into Easygrants®.

14. **Service Metrics and Network Management** - You must provide a detailed disclosure of the proposed network management and monitoring systems, as well as a description of the operational practices you plan to implement to ensure quality and consistency in providing services to customers. The template for this attachment lists a series of service categories, each with corresponding criteria that you must explain. Categories may have multiple entries if you plan multiple unique metrics. The general categories include:

    a) **Customer Service** - The customer-facing aspects of the business required to maintain satisfied customers. Examples include but are not limited to providing customer service centers and providing secure online bill-pay.

    b) **Order Fulfillment** - The operational or back office aspects of running the day-to-day business. Examples are the Provisioning Process, the use of workforce management and scheduling tools in order to meet appointment windows, responding to Change of Service requests in a timely manner, etc.

c) **Capacity Planning** - The proactive processes and allocation of resources necessary to maintain, improve, or expand the capabilities of the network. Examples include ensuring that performance objectives are met, ensuring that resources are scheduled to accommodate subscriber growth, analyzing network utilization, and developing techniques to mitigate or prevent network congestion.

d) **Network Management** - The activities involved in monitoring, reporting, and analyzing events, alarms, or any network-originated data, in order to spur preventive or corrective action, so that availability or performance levels of the network may be maintained or improved. Examples are capturing and archiving performance data, using polling devices, using Network Management systems for outage response, and using systems to report the number of alarms on a network, etc.

You are urged to independently develop a list of Target Objectives, Constraints, Triggers, and Systems and Tools that align with your organization's business or operational processes. You are not constrained by the space provided and may provide as much detail as is necessary to depict the vital aspects of each general category.

Within each of the categories the attachment template asks you to provide a narrative description of the planned service, whether the service will be outsourced, and how each service will be provisioned and operationalized. For each described service within a category, be sure to include:

a) **Target Objectives** - The current or planned business or operational process to support the activity being described. Should reflect reasonable means by which to determine whether the described service is performing within expectations.

b) **Constraints** - Further refine the Target Objectives to describe exclusions or limitations, or define upper and lower boundaries. Examples include answering 90% of calls within 30 seconds, installing new service within 48 hours of request, maintaining less than 80% circuit utilization, targeting no more than 4 hours of downtime for more than three subscribers affected by a single outage, etc.

c) **Triggers** - Note specific boundaries or limits placed on measurements of performance indicators. Triggers spur preventive or corrective action in support of the Target Objective. Examples include management notification if greater than 50 calls per day are not answered, provisioning an additional circuit if utilization trends above 75% for 7 consecutive days, or responding to a single event that affects three or more customers, etc.

d) **Systems and Tools** - List systems and tools that support the accomplishment of the objective. Examples include Automatic Call

Distribution System, PBX, Workforce Management SW, Trouble Ticketing Systems, vendor-specific Network Element Monitoring, etc.

e) **Provider** - Whether the proposed service is to be performed by an outside contractor or internally within the company.

Save your changes to your attachment before uploading it into Easygrants®.

15. **Professional Engineer Certification** - For projects requesting more than $1 million in funding, the Network Diagram, System Design, and Project Timeline must be certified (through signature and/or stamp, depending on the jurisdiction) by a Professional Engineer (PE) registered in at least one state or territory wherein the service will be provided. A certification from one PE will be accepted for projects covering multiple states or territories if the PE is licensed within any one of these states or territories. The required certification must be completed using Attachment 15 - Professional Engineer Certification**.** The engineer must certify that:

    - The proposed broadband system will work as described in the System Design and Network Diagram sections
    - The proposed broadband system can deliver the proposed services outlined in Attachment 13 - Subscriber Projections and Service Tiers and all premises in the proposed funded service area(s) will be offered broadband service
    - The proposed build-out timeframe, milestones, and construction schedule are feasible and the project will be substantially complete within 2 years, and fully complete within 3 years

    For projects solely within states or territories that do not have a PE certification process, select this option on the certification form.

    Save your changes to your attachment before uploading it into Easygrants®.

16. **Licenses and Agreements** - On this form, you must provide a status report for the licenses, agreements, approvals, and authorizations potentially required for constructing your broadband network, and indicate their status. In the template for this attachment, you must select a status for every item in the table and add comments where needed. The statuses include:

    a) **Not Required** - Place an “X” in this column to indicate an item that will not, at any point, require this license, e.g., FCC Spectrum Licenses for a wireline provider.

    b) **Existing/In-Hand - No Modifications Necessary** - Place an “X” in this column to indicate agreements that are completed, in-hand, and ready to be acted upon. For example, most wireline incumbents with existing operations in a proposed funded service area will already have their Certificate of Public Convenience and Necessity in hand.

c) **Existing/In-Hand - but Modifications Required** - Place an “X” in this column to indicate existing agreements that will require modifications, such as backhaul agreements for an incumbent that need to be increased in capacity.

d) **Applied but Pending** - Place an “X” in this column to indicate licenses that have been duly applied for, but for which you are awaiting confirmation and/or approval.

e) **Contingent on Award** - Place an “X” in this column to indicate an agreement that may exist and be finalized, but which is written to be valid only if you receive an award.

f) **Not Available until Project is Funded** - Place an “X” in this column for agreements that cannot be completed until you either have confirmation of winning the government award or have received the first disbursement.

To the right of the status of the agreement or license there is a column for comments. In this column, be sure to add contextual information that is relevant to the ownership and availability of the license or agreement. For example, be certain to indicate whether an asset is owned or will be owned by a parent company or organization, if (in the case of spectrum) it is being leased to the applicant, and on what basis (exclusive, non-exclusive, time-limited) this lease is being made.

Note that you MUST attach the supporting documentation for existing licenses and agreements to the application. You must include the sections of these licenses and agreements which indicate the terms (including capacity and cost) for those licenses and agreements that are already in hand. Licenses, agreements, approvals, and authorizations include:

a) **Internet Service Agreement** - An agreement between an Internet Service Provider (“ISP”) and a retail reseller of Internet services (usually the applicant). This generally includes details regarding facilitating, provisioning, transporting, and maintaining a fixed or variable amount of payload traffic (a.k.a., bandwidth) from one or more locations to an ISP's portal.

b) **Internet Service Connection Backhaul Agreement** - The agreement governing the physical link connecting an applicant’s network to the ISP's facilities. In some cases, this agreement will be part of the Internet Service Agreement, and in other cases it will be separate.

c) **Pole Attachment Agreement** - An arrangement between the owner of the pole, usually a power or phone company, and an operator who wants to lease the right to attach fiber strand (for example) so that they may construct infrastructure more cost effectively than performing underground construction.

d) **Wireless Spectrum Licenses (end-user access)** - The legal right to transmit on a specific frequency to CPE devices for the transport of communication services.

e) **Wireless Spectrum Licenses (for backhaul transport)** - Wireless Spectrum Licenses for backhaul transport.

f) **Tower-Site/Property Agreements** - Agreements governing the terms of use of any tower sites where an applicant intends to use or build its own facilities.

g) **Tower Attachment Agreements** - Agreements governing the terms under which an applicant can attach and operate its equipment.

h) **Special Permits (federal, highway, bridge, etc)** - Certain protected Federal Lands like National Parks, Historic Districts, or other protected or Federal government owned land require the following of a particular protocol in order to obtain permission to construct fiber optic infrastructure. Railroad Crossings or Bridge Crossings typically need to be coordinated with the State Department of Transportation.

i) **Franchise Agreements** - An agreement that grants a network operator the right to construct in rights of way governed by the local franchise, usually the local municipality, and market for sale video services to paying subscribers in that local district.

j) **Video Carriage Agreements** - A contract that authorizes a network operator to [re]transmit content. These can be obtained from content aggregators who offer entire channel lineups, or from individual broadcasters, production companies, etc.

k) **Certificate of Public Convenience and Necessity (CPCN)** - A Certificate of Public Convenience and Necessity (CPCN) is an authorization issued by the State Public Service Commission (PSC) for the delivery and/or provision of a public service to a designated area or parcel of land. A CPCN is generally needed to permit building facilities in public rights of way and for certain types of commerce. CPCN rules and regulations vary by State.

l) **Spectrum Agreements *- Spectrum agreements must show both capacity and cost.***

You are not constrained to the space provided and may add as many rows as is necessary to depict the full range of licenses, agreements, approvals, and authorizations involved in your project.

NOTE: Agreements held by multiple unique applicants for the same limited resource will be considered Not Available Until Project is

Funded. Save your changes to your attachment before uploading it into Easygrants®.

Save your changes to your attachment before uploading it into Easygrants®.

F. Applicant Checklist for Attachments 10 through 16

Use the checklist below to help ensure that you have supplied key information in Attachments 10 through 16.

Applicant Checklist for Attachments 10 through 16	
10. Competitor Service Offerings	
Did you include all competitors including cellular and satellite providers?	☐
Did you include competitor service offerings for the service areas in your application?	☐
If there are no competitors in your service areas, did you state in the Attachment that there are no competitors in your application?	☐
11. System Design	
Did you include details on your methodology for calculating oversubscription?	☐
Wireline: Did you include minimum, maximum and average route length?	☐
Wireless: Did you include your methodology for calculating the link budget?	☐
12. Network Diagram	
Does your network diagram address each service area in your application?	☐
Is the number of premises per aggregation point clearly designated?	☐
13. Subscriber Projections and Service Tiers	
Did you create and fill out a separate worksheet for each service area in the application?	☐
Are the subscriber numbers you provided cumulative year-end counts (not the number of new subscribers added each year)?	☐
Did you ensure that subscribers who subscribe to more than one type of service are counted on multiple tables?	☐
If you already provide services in a service area, did you include both current and projected offerings?	☐
Do your subscriber projections include subscribers from existing operations as well as your proposed BIP project?	☐

Applicant Checklist for Attachments 10 through 16	
Do your pro forma assumptions and pro forma financial statements reflect the same revenue estimates for subscribers?	☐
14. Service Metrics and Network Management Did you include target objectives, constraints, triggers and systems and tools for every entry in the template?	☐
15. Professional Engineer Certification If your application requires PE certification, is it signed and dated by a professional engineer whose registration number is clearly legible?	☐
16. Licenses and Agreements Have you attached copies of the source documentation for those licenses, agreements, and approvals that you have indicated as "Existing/In-Hand" in your application?	☐

G. Attachments 17 through 29 - Financial Information

17. **Historical Financial Statements - Applicant** - Attach your organization's historical financial statements for the last 2 years, or for as long as you have been in business, if less than 2 years. Historical financial statements for the last 2 years must also be supplied for each co-applicant. Financial statements must include the balance sheet, income statement, and statement of cash flows, as well as any accountant's letter and notes to the financial statements. Audited financial statements are preferred. If audited financial statements are not available for the last 2 years, you must submit un-audited financial statements for those years.

    Startup entities must, at a minimum, provide an opening balance sheet dated within 30 days prior to the application submission date. A startup entity may also choose to submit a tax return if audited statements are not available, in addition to the opening balance sheet. A start-up organization is defined as either 1) a legal entity with an operating history of less than 1 year, or 2) a legal entity that has an operating history of less than 2 years, has had limited activity during that period, and is not profitable.

    There is no template for this attachment. Please ensure that the historical data presented in these financial statements matches what is entered in the first two columns of the Pro Forma 5-Year Financial Forecast. If the data does not match, use Attachment 20 - Pro Forma Financial Assumptions to explain in detail how to reconcile the actual historical results to the annual pro forma summary data provided in the application.

18. Pro Forma 5-Year Financial Forecast - Single Application

NOTE: **Complete Attachment 18 only if your organization is submitting exactly one Round Two application.** If your organization is submitting multiple Round Two applications, skip to the instructions for Attachment 19 - Pro Forma 5-Year Financial Forecast - Multiple Applications. Please note that the pro forma must also reflect any co-applicants listed in Easygrants®.

This attachment is an MS Excel workbook with three separate worksheets consisting of a pro forma Balance Sheet, Income Statement, and Statement of Cash Flows. It will be used by RUS to determine whether the loan can be repaid on its terms, whether the proposed project is financially feasible and sustainable, and whether this is a viable operation. Use the directions below in the "Guidance for BIP Pro Forma Financial Forecasts" section to complete your forecast.

At a minimum, you must complete the sections showing data for your existing and proposed BIP operations in order for the attachment to be considered complete. Failure to properly prepare this section may cause your application to be scored incorrectly and/or considered incomplete.

Tips for Successful Applications

- Furnish your forecast data in the provided financial statement templates for single applications.
- Ensure that the attachment is prepared by a financial consultant, accountant, or individual qualified to prepare financial forecasts.
- Ensure that the information you provide is consistent with the dollar amounts and details of other sections of your application. This includes but is not limited to:
  - Attachment 13 - Subscriber Projections and Service Tiers
  - Attachment 17 - Historical Financial Statements
  - Attachment 22 - Project Capital Investment Worksheet
  - Attachment 23 - Schedule of Debt and Equity Funding
- Pro forma financial statements must be for the applicants and co-applicants, not for parent organizations.

a) Guidance for BIP Pro Forma Financial Forecasts - Every projection consists of the following separate but intertwined financial statements:

- Pro Forma Income Statement
- Pro Forma Balance Sheet
- Pro Forma Statement of Cash Flows

The statements must demonstrate 2 years of historical data and 5 years of pro forma forecast data. Columns should be clearly labeled with the appropriate year. Start-up organizations can leave the historical columns blank, except for the opening Balance Sheet, which should be included in the historical column prior to the 5-year forecast.

Historical and forecast years can be either calendar or fiscal. If you report fiscal years, be sure to document the fiscal year period in Attachment 20 - Pro Forma Financial Assumptions.

The statements should also contain all of your regulated and non-regulated operations. Revenues, expenses, assets, liabilities, and related cash flow transactions of non-regulated operations should be included in detail in the financial forecast and should not be reported net.

b) Grant Accounting - When reporting RUS grant amounts on pro forma financials or other documents submitted with your application, the grant amounts must be treated as revenue on a separate line item. Because this revenue is used to purchase capital assets, it must be amortized over the average useful life of the assets. Failure to use this accounting method can produce unfavorable outcomes in the financial review process.

Example: The example below demonstrates how to perform proper Grant Accounting for a $2,000,000 project with a $1,000,000 BIP grant.

Step 1 - Determine the average/composite useful life of all the assets purchased for the BIP project. This can be a weighted average useful life of all the asset categories from the Capital Project Budget. An example of how you might calculate this is below. These numbers are just an example, so your useful life might be different:

SUMMARY OF PROJECT COSTS	TOTAL CATEGORY SPEND	ENTER USEFUL LIFE BY CATEGORY	ESTIMATED ANNUAL DEPRECIATION
Network and Access Equipment	$ 200,000	10	$ 20,000
Outside Plant	$ 200,000	20	$ 10,000
Buildings and Land	$ 200,000	30	$ 6,667
Customer Premise Equipment	$ 400,000	5	$ 80,000
Billing and Operational Support Systems	$ 200,000	5	$ 40,000
Operating Equipment	$ 200,000	10	$ 20,000
Professional Services	$ 200,000	5	$ 40,000
Testing	$ 200,000	5	$ 40,000
Other Upfront Costs	$ 200,000	5	$ 40,000
Total Project Costs and Avg Useful Life	**$ 2,000,000**		**$ 296,667**

Weighted Average Useful Life - calculated from useful life above	**10.00**

Step 2 - Account for the grant the year it is received.

Dr. Cash $1,000,000
Cr. Deferred Grant Revenue BIP $900,000
Cr. Current Portion Deferred Grant Revenue BIP $100,000

Add the grant amount to your cash flow statement the year the funds are received under: Proceeds from BIP Grant $1,000,000

Step 3 - Determine the annual Amortized Grant Revenue amount that will be added to revenue on the income statement:

Grant Amount divided by Composite Useful Life
$1,000,000/10

$100,000 is the annual Amortized Grant Revenue

Step 4 - Account for Grant Revenue every year of the forecast period and throughout the depreciable life of the assets:

Dr. Deferred Grant Revenue $100,000
Cr. Amortized Grant Revenue $100,000

On the Statement of Cash Flows, it is important to subtract this Amortized Grant Revenue amount every year in the Operating Activities section. Similar to the way Depreciation is added back in to the cash flow, Amortized Grant Revenue is subtracted.

This information should be clearly defined in the pro forma financial assumptions attachment and used to enter data into the Pro Forma 5-Year Financial Forecast.

c) **Guidance for the Pro Forma Income Statement** - The Existing and Project Income Statement template is pre-populated with preferred revenue and expense categories. You are encouraged to use these exact categories in order to facilitate processing your application. If you choose to modify the BIP application template categories or not employ this BIP application template, you must provide a sufficient level of detail to enable a reasonable level of understanding of the project's financial operations. You will need to combine existing operations with operations derived from the proposed project.

The following is a brief description of the pre-populated revenue and expense categories contained on the Existing and Project Income Statement worksheet in this template.

d) **Network Services Revenue**

i. **Local Voice Service** revenues are derived from the provision of local voice services to customers. Local voice service revenues should relate to the number of local voice service subscribers and price per

subscriber information contained on Attachment 13 - Subscriber Projections and Service Tiers. This should include revenue from residential, single-line businesses, multi-line businesses, and optional features.

ii. **Broadband Data Service Revenues** are derived from the provision of broadband data services to customers. Broadband data service revenues should relate to the number of subscribers and price per subscriber information contained on Attachment 13 - Subscriber Projections and Service Tiers.

iii. **Video Service Revenues** are derived from the provision of video services to customers. Video service revenues should relate to the number of video service subscribers and price per subscriber information contained on Attachment 13 - Subscriber Projections and Service Tiers. This should include basic, expanded basic, and digital subscribers, set-top box revenue, and premium channel packs and video on demand.

iv. **Middle Mile Revenues** are derived from the provision of services related to a Middle Mile network, including transport and interconnection services. Middle Mile revenues should relate to the number of Middle Mile subscribers and price per subscriber information contained on Attachment 13 - Subscriber Projections and Service Tiers.

v. **Network Access Service Revenues** are derived from the provision of exchange service to an interexchange carrier beyond the exchange carrier's network. These revenues are generated based on the interexchange carrier's minutes of use applied against access tariff rates.

vi. **Universal Service Fund Revenues** are funds received by the applicant from the various universal service fund programs.

vii. **Toll Service/Long Distance Voice Revenues** are derived from the provision of toll/long distance services and should relate the minutes of usage applied against average rates per minute.

viii. **Installation Revenues** are derived from the installation of network equipment, typically at customer premises, that allow the provision of services. Installation revenue should relate to gross subscriber additions and proposed installation fees.

ix. **Amortized Grant Revenue BIP** is the revenue recognized from BIP grants. Amounts received from BIP grants should be amortized into revenue over the estimated useful economic life of the assets purchased with the grant proceeds. Specific direction for presenting this information is provided in the "Grant Accounting" section.

x. **Other Operating Revenues** are all other revenues derived from sources other than those described above.

xi. **Uncollectible Revenues** are the estimated amounts of revenue that you will not be able to collect.

EXPENSES

i. **Backhaul Expenses** are associated with transporting voice and broadband data network traffic from the CPE or handset to the point of interconnection to the Internet.

ii. **IP/Interconnection Expenses** are associated with interconnecting with and transferring traffic across the Internet.

iii. **Video Content Expenses** are related to the provision of video services revenue and consist of video programming costs and fees.

iv. **Spectrum Expenses** are related to leasing spectrum from others in a wireless services network. Amortized spectrum acquisition expenses related to purchased spectrum should be included in the *Amortization Expense* category described below.

v. **Network Maintenance/Monitoring Expenses** are the personnel and related costs of maintaining/monitoring your network and customer premises equipment.

vi. **Utilities Expense** is the cost of utilities related to network operations.

vii. **Sales/Marketing Expenses** are all costs associated with marketing to and obtaining customers and subscribers, including salesperson compensation, advertising and marketing promotions, and subsidies on customer premises equipment or handsets.

viii. **Customer Care Expenses** are the personnel and related costs of providing customer care operations to customers and subscribers.

ix. **Corporate G&A Expenses** are your personnel, occupancy, insurance, billing and collections, and other general and administrative expenses.

x. **Property Tax Expenses** are the costs you incur for state and local property taxes.

xi. **Other Operating Expenses** are all other operating expenses not included above.

EBITDA represents your earnings before interest, taxes, depreciation, and amortization.

i. **Depreciation Non-BIP Assets** is the depreciation expense related to all plant in service not associated with the proposed BIP project.

ii. **Depreciation BIP Assets** is the depreciation expense related to the plant in service associated with the proposed BIP project.

iii. **Amortization Expense** is the amortization expense associated with intangible assets including purchased spectrum.

iv. **Interest Expense - BIP Loan** is the interest cost associated with BIP loans requested as part of the application.

v. **Interest Expense - Non-BIP Debt** is the interest cost associated with all other interest bearing debt your organization possesses.

vi. **Interest Income** is your interest income earned from marketable securities.

vii. **Income Taxes** are the provision or benefit for Federal and state income taxes related to a for-profit applicant.

Net Income (Loss) represents your net income (loss) for the historical or forecast year.

TIER represents the times interest earned ratio of the applicant. TIER is calculated as follows:

"*Net Income"* plus "*Interest Expense - BIP Loan"* plus "*Interest Expense - Non-BIP Debt"*

divided by

"*Interest Expense - BIP Loan"* plus "*Interest Expense - Non-BIP Debt"*

Applicants requesting a BIP award must achieve a TIER of 1.00 by the end of "Year 5" of the 5-year financial forecast period.

e) Guidance Related to the Pro Forma Balance Sheet - The pro forma Balance Sheets must comply with basic GAAP requirements that Total Assets must equal Total Liabilities and Total Equity, and that grants and loans are reflected with current and long-term positions for each pro forma year. The following is a brief description of the pre-populated balance sheet categories contained on the *Existing and Project Balance Sheet* worksheet in this template.

Assets

i. **Cash** includes all your non-restricted and restricted cash balances.

ii. **Marketable Securities** consists of all short-term investments of excess cash not required for on-going operations.

iii. **Accounts Receivable** consists of amounts you are owed by customers and subscribers from the provision of services or the sale of equipment.

iv. **Other Current Assets** consists of all other current assets not included above.

v. **Amortizable Assets - Net** consists of your intangible assets less related accumulated amortization.

vi. **Plant in Service Non-BIP Assets** contains the property and equipment at cost of your existing operations, excluding the property

and equipment associated with the proposed BIP project. Annual changes to this category should relate to the *Capital Expenditures Non-BIP Operations* category included on the Pro Forma Statement of Cash Flows.

vii. **Accumulated Depreciation Non-BIP Assets** consists of the accumulated depreciation of your existing operations excluding the accumulated depreciation associated with the proposed BIP project. Annual changes to this category should relate to the *Depreciation Expense Non-BIP Assets* category included on the Pro Forma Income Statement.

viii. **Plant in Service BIP Assets** contains the property and equipment at cost associated with the proposed BIP project. Annual changes to this category should relate to the *Capital Expenditures BIP Operations* category included on the Pro Forma Statement of Cash Flows.

ix. **Accumulated Depreciation BIP Assets** consists of the accumulated depreciation of the proposed BIP project. Annual changes to this category should relate to the *Depreciation Expense BIP Assets* category included on the Pro Forma Income Statement.

x. **Other Non-Current Assets** consists of all other non-current assets not included above.

Liabilities and Equity

i. **Accounts Payable** consists of the amounts owed to trade vendors used in your operations.

ii. **Current Portion - Non-BIP Debt** consists of the total principal balance related to Non-BIP debt that will be repaid in the following year and should relate to the *Proceeds from Non-BIP Debt* and *Repayments of Non-BIP Debt* categories included on the Pro Forma Statement of Cash Flows.

iii. **Current Portion - BIP Loans** consists of the total principal balance related to BIP Loans that will be repaid in the following year and should relate to the *Proceeds from BIP Loans* and *Repayments of BIP Loans* categories included on the Pro Forma Statement of Cash Flows.

iv. **Current Portion Deferred Grant Revenue BIP** consists of the total amount of deferred grant revenue that will be recognized as revenue in the following year and should relate to *Amortized Grant Revenue - BIP* category included contained on the Pro Forma Income Statement.

v. **Other Current Liabilities** consists of all other current liabilities not included above.

vi. **Existing Non-BIP Debt** consists of the total outstanding principal balance related to Non-BIP Debt less the *Current Portion - Non-BIP Debt* category.

vii. **BIP Loans** consists of the total outstanding principal balance related to BIP Loans less the *Current Portion - BIP Loans* category.

viii. **Deferred Grant Revenue BIP** consists of the remaining unamortized grant revenue less the *Current Portion Deferred Grant Revenue BIP* category.

ix. **Other Non Current Liabilities** consists of all other non-current liabilities not included above.

x. **Capital Stock** consists of the par value of your capital stock.

xi. **Additional Paid in Capital** consists of all your other capital stock transactions less the amounts in *Capital Stock*.

xii. **Patronage Capital Credits** represents your earnings that have been designated for distribution to your cooperative owners.

xiii. **Retained Earnings** represent after-tax profits in the company. The changes from year to year must reconcile with the *Net Income after Tax* category included on the Income Statement.

Current Ratio is calculated as current assets divided by current liabilities. To qualify for a BIP award, you should achieve a minimum current ratio of 1.00 by the end of "Year 5" in the financial forecast.

f) Guidance Related to the Pro Forma Statement of Cash Flows - Your pro forma statement of cash flows must reflect the proposed BIP project funding and investments as well as any additional funding for working capital and non-BIP capital expenditures for the applicant. The following is a brief description of the pre-populated cash flow categories contained on the *Existing and Project Cash Flow* worksheet in this template.

Beginning Cash represents your cash balances at the beginning of the period.

Cash Flows from Operating Activities:

i. **Net Income (Loss)** is obtained from the *Net Income (Loss)* category on the Pro Forma Income Statement.

ii. **Adjustments to Reconcile Net Income (Loss) to Net Cash Provided from Operating Activities:**

a. **Depreciation Non-BIP Assets** is obtained from the *Depreciation Non-BIP Assets* category on the Pro Forma Income Statement.

b. **Depreciation BIP Assets** is obtained from the *Depreciation BIP Assets* category on the Pro Forma Income Statement.

c. **Amortization** is obtained from the *Amortization* category on the Pro Forma Income Statement.

d. **Amortized Grant Revenue BIP** is obtained from the *Amortized Grant Revenue* category on the Pro Forma Income Statement.

Changes in Assets and Liabilities:

i. **Accounts Receivable** is the net change in the *Accounts Receivable* category on the Pro Forma Balance Sheet.

ii. **Other Current Assets** is the net change in the *Other Current Assets* category on the Pro Forma Balance Sheet.

iii. **Other Non Current Assets** is the net change in the *Other Non Current Assets* category on the Pro Forma Balance Sheet.

iv. **Accounts Payable** is the net change in the *Accounts Payable* category on the Pro Forma Balance Sheet.

v. **Other Current Liabilities** is the net change in the *Other Current Liabilities* category on the Pro Forma Balance Sheet.

vi. **Other Non Current Liabilities** is the net change in the *Other Non Current Liabilities* category on the Pro Forma Balance Sheet.

Cash Flows from Financing Activities:

i. **Proceeds from Sale of Equity** are the cash proceeds from the sale of your Capital Stock.

ii. **Proceeds from BIP Grant** are the cash grant proceeds received under the proposed BIP award.

iii. **Proceeds from BIP Loans** are the cash loan proceeds received under the proposed BIP award.

iv. **Proceeds from Non-BIP Debt** are the cash proceeds received from non-BIP sources of debt.

v. **Repayments of BIP Loans** are the cash repayments of principal related to BIP Loans.

vi. **Repayments of Non-BIP Debt** are the cash repayments of principal related to Non-BIP Debt.

vii. **Payments of Patronage Capital Credits** are the cash payments made to the owners of cooperative associations.

viii. **Payments of Dividends** are the cash payments of dividends to the owners of your capital stock.

Cash Flows from Investing Activities:

i. **Capital Expenditures Non-BIP Operations** are the cash payments related to acquiring *Plant in Service Non-BIP Assets*.

ii. **Capital Expenditures BIP** are the cash payments related to acquiring *Plant in Service BIP Assets*.

iii. **Additions to Amortizable Assets** are the cash payments made to acquire amortizable assets including purchased spectrum.

iv. **Change in Marketable Securities - Net** represents the net change in the *Marketable Securities* category of the Pro Forma Balance Sheet.

Ending Cash represents your cash balances at the end of the period and should agree with the *Cash* category of the Pro Forma Balance Sheet.

Save your changes to your attachment before uploading it into Easygrants®.

19. Pro Forma 5-Year Financial Forecast - Multiple Applications

***NOTE:* Complete this attachment only if your organization is submitting multiple applications for BIP Round Two funding.** The instructions for completing Attachment 19 - Pro Forma 5-Year Financial Forecasts - Multiple Applications builds on the instructions for Attachment 18. Read the instructions in this section that are specific to Attachment 19, but then also **closely read and follow the instructions for Attachment 18** as extensive guidance on developing financial projections is provided there.

This attachment will be used to determine whether the proposed project is financially feasible and sustainable, a prerequisite for an award. Failure to properly prepare this section may cause your application(s) to be scored incorrectly and/or considered incomplete and moved to Second Review. ***There are nine worksheets in this workbook; be sure to complete all nine.***

If you are submitting multiple applications, each Round Two application you submit must include an Attachment 19 - Pro Forma 5-Year Financial Forecast - Multiple Applications. You should not reference another application in lieu of supplying this data. This attachment requires you to complete three separate financial forecasts, as described below. All three financial forecasts include an Income Statement, Balance Sheet, and Statement of Cash Flows.

i. Pro Forma Financial Forecast for Existing Operations - contains the financial forecast for your existing operations, excluding any Round Two RUS-related financial transactions.

ii. Pro Forma Financial Forecast for Existing Operations and Proposed BIP Project - contains the financial forecast for your existing operations and all financial transactions associated with the project proposed in this application.

iii. Pro Forma Financial Forecast for Existing Operations and All Proposed BIP Projects - contains the financial forecast for your existing operations and all financial transactions associated with all of your proposed BIP projects combined.

Tips for Successful Applications

- Furnish your forecast data in the provided financial statement templates for multiple applications.
- Ensure that the attachment is prepared by a financial consultant, accountant, or individual qualified to prepare financial forecasts.
- Follow the guidance on developing financial projections provided for Attachment 18 - Pro Forma 5-Year Financial Forecasts - Single Application as well as the specific instructions for Attachment 19 - Pro Forma 5-Year Financial Forecast – Multiple Applications.
- Ensure that the information you provide is consistent with the dollar amounts and details of other sections in your application. This includes but is not limited to:
  - Attachment 13 - Subscriber Projections and Service Tiers
  - Attachment 17 - Historical Financial Statements
  - Attachment 22 - Project Capital Investment Worksheet
  - Attachment 23 - Schedule of Debt and Equity Funding
- Pro forma financial statements must be for the applicants and co-applicants, not for parent organizations.

Save your changes to your attachment before uploading it into Easygrants®.

20. Pro Forma Financial Assumptions

a) Overview - You are required to submit a detailed written narrative that documents the various pro forma financial assumptions used to prepare the Pro Forma 5-Year Financial Forecast. There is no template for this attachment.

Every category in the pro forma financial statements must be explained with clear details. The assumptions must allow an analyst to re-create the pro forma financial statements. The assumptions must provide detail on how the forecasted category was derived to prepare the Pro Forma 5-Year Financial Forecast. The clearer and more specific you make the detailed narrative, the less difficult it will be for RUS to evaluate the application. If you submit a financial forecast that is not fully supported by a detailed

narrative for every category, it may affect the final decision on your application.

b) **Guidance Related to the Pro Forma Financial Assumptions** - Regardless of whether you submit one application or multiple applications, use this guidance to prepare the detailed narrative that documents the various pro forma financial assumptions for the pre-populated categories contained on the Pro Forma template worksheets.

   While you are not required to utilize all of the categories in the worksheets, you do have to provide a sufficient level of detail to provide a reasonable understanding of your financial operations, including your existing operations and the operations of the proposed project(s). Modifying any of the existing categories may create difficulties in processing your application; your assumptions must also adequately document, support, and justify the information in any modified categories.

c) **Historical Financial Reconciliation** - If there are any gaps or discrepancies between the submitted historical financial statements and the historical data provided in the Pro Forma 5-Year Financial Forecast, a detailed explanation should be provided in the assumptions.

d) **Backhaul/Interconnection/Spectrum Assumptions -** The purpose of this section is to allow you to link the detailed network plan to the pro forma financial statements. Describe your existing capacity and give its annual cost for backhaul, IP/interconnection, and/or spectrum and video. Include proposed capacity that will be necessary to serve subscribers as well as projected annual cost. Ensure that the annual cost totals for each category reconcile with the corresponding expense items on the Income Statement: Backhaul, IP/Interconnection, Spectrum, and Video Content. Backhaul should include all transport costs for taking the applicant's network traffic to its providers. IP/Interconnection should include all IP traffic costs for providing service to users. Spectrum should include all spectrum costs for providing service to users (if applicable). Video content should include all costs associated with the provision of TV content to users (if applicable). Growth in these costs should generally correspond to projected subscriber growth for each of the various services, as applicable.

e) **Income Statement -** You should provide assumptions for **ALL** of the categories on the Income Statement. Guidance for documenting assumptions about most specific categories is provided below.

REVENUES	GUIDANCE
Network Services Revenues	
Local Voice Service	Document the number of local voice service subscribers and average revenue per subscriber (ARPU) information used in determining local service revenue.
Broadband Data Service	Document the number of broadband data subscribers and average revenue per subscriber (ARPU) information used in determining broadband data revenue.
Video Service	Document the number of video service subscribers and average revenue per subscriber (ARPU) information used in determining video services revenue.
Middle Mile Revenues	Describe the forecasted Middle Mile revenue in detail.
Network Access Service Revenues	Document the interexchange carrier's historical and projected minutes of use by category and the projected access tariff rates.
Universal Service Fund	Document the basis for receiving such funding.
Toll Service/Long Distance Voice	Document the historical and projected toll/long distance minutes of use by category and the proposed toll/long distance rates.
Installation Revenues	Document the related gross subscriber additions and proposed installation fees.
Amortized Grant Revenue BIP	Indicate the period of time over which the grant revenue is being amortized. This is explained in the "Grant Accounting" definition in the Definitions section of this Application Guide.
Other Operating Revenues	Document any assumptions related to other operating revenues, with justification to support the projected revenues.

REVENUES	GUIDANCE
Uncollectible Revenues	Document the rate used to estimate uncollectible revenues, with justification to support the projection.

EXPENSES	GUIDANCE
Backhaul Expenses	Document how the backhaul costs are calculated and projected. Include capacity as it relates to costs.
IP/Interconnection Expenses	Document how these expenses are calculated and projected. Include capacity as it relates to costs.
Video Content Expenses	Document how these expenses are calculated and projected.
Spectrum Expenses	Document how these expenses are calculated and projected. Include capacity as it relates to costs.
Network Maintenance/Monitoring Expenses	Document how these expenses are calculated and projected.
Utilities Expense	Document how these expenses are calculated and projected.
Sales/Marketing Expenses	Document how these expenses are calculated and projected.
Customer Care Expenses	Document how these expenses are calculated and projected.
Corporate G&A Expenses	Document how these expenses are calculated and projected.
Other Operating Expense	Document in detail any assumptions related to other operating expenses.
Interest Expense - BIP Loan	Document the interest rate assumed for any BIP loan.

f) Balance Sheet - You should provide assumptions for **ALL** of the categories on the Balance Sheet. Guidance for a few specific categories is provided below.

BALANCE SHEET CATEGORY	GUIDANCE
Cash	Cash should tie to the *Ending Cash* category from the *Existing and Project Cash Flow* worksheet.
Accounts Receivable	Document the calculations used to determine accounts receivable, including the number of days of outstanding revenue.
Accounts Payable	Document the calculations used to determine accounts payable, including the number of days of outstanding expenses.
Capital Stock and Additional Paid in Capital	These should consist of the contributed equity of the applicant plus any *Proceeds from Sale of Equity* from the *Existing and Project Cash Flow* worksheet.

g) Cash Flows - The Cash Flow statement should tie to the net change in the various categories from the Balance Sheet. Net Income in each year should come directly from the Income Statement. Guidance concerning what should be included in the assumptions is outlined below.

CASH FLOWS FROM FINANCING ACTIVITIES	GUIDANCE
Proceeds from Sale of Equity	Document the sources and timing of proceeds received from the sale of equity.
Proceeds from Non-BIP Debt	Document the sources and timing of proceeds from non-BIP debt.
Repayments of BIP Loans	Document the repayment terms used (interest rate and repayment periods) in the determination of repayments of BIP Loans.
Repayments of Non-BIP Debt	Document the annual principal repayment requirements associated with repayments of non-BIP Debt.
Payments of Patronage Capital Credits	Document the planned annual payments of patronage capital credits.
Payments of Dividends	Document the planned annual payments of dividends.

CASH FLOWS FROM INVESTING ACTIVITIES	GUIDANCE
Capital Expenditures Non-BIP Operations	Document the assumptions regarding capital expenditures for non-BIP operations.
Additions to Amortizable Assets	Document planned payments for purchased spectrum or other amortizable assets.
Ending Cash	Ending cash represents the applicant's cash balances at the end of the period and should agree with the *Cash* category of the Pro Forma Balance Sheet.

21. Consolidated Financials Reconciliation Schedule - Multiple Applications

a) Overview - The purpose of this attachment is to provide a reconciliation of certain key financial statement categories that appear within Attachment 19 - Pro Forma 5-Year Financial Forecast - Multiple Applications.

This attachment should be prepared by all applicants with multiple Round Two BIP applications. If you plan to submit only one Round Two BIP application and will complete Attachment 18 - Pro Forma 5-Year Financial Forecast - Single Application, do NOT complete Attachment 21 - Consolidated Financials Reconciliation Schedule.

The following key financial statement categories (collectively "Key Financial Data") are covered in this attachment:

i. Pro Forma Income Statement
   - Total Revenues *(Year 5)*
   - Net Income (Loss) *(Year 5)*

ii. Pro Forma Balance Sheet
   - Cash *(Year 5)*
   - Total Assets *(Year 5)*

iii. Pro Forma Cash Flow Statement
   - Proceeds from Sale of Equity *(Years 1 through 5)*
   - Proceeds from BIP Grants *(Years 1 through 5)*
   - Proceeds from BIP Loans *(Years 1 through 5)*
   - Proceeds from Non-BIP Debt *(Years 1 through 5)*
   - Capital Expenditures BIP *(Years 1 through 5)*

b) Steps for Completing this Attachment

i. Pro Forma Financial Forecast for Existing Operations. For this single line item, use the Attachment 19 - Pro Forma 5-Year Financial Forecast - Multiple Applications to find and enter the Key Financial Data from the Existing Operations Pro Forma Income Statement, the Existing Operations Pro Forma Balance Sheet, and the Existing Operations Pro Forma Cash Flow Statement.

ii. Enter the Project Title and Easygrants® ID in the provided rows for each and every BIP application that you are submitting in Round Two. Insert additional rows into the worksheet if needed.

iii. For each Round Two BIP application, calculate and enter the Key Financial Data for the proposed BIP project. Use the following methodology to make these calculations:

- Take the Key Financial Data from the Pro Forma Financial Forecast for Existing Operations and Proposed BIP Project
- Less: Key Financial Data from the Pro Forma Financial Forecast for Existing Operations
- Equals: Key Financial Data for the Proposed BIP Project to be input into the Financial Reconciliation Schedule Attachment

iv. Repeat the calculation in Step 3 for each Round Two BIP application and enter the results into this attachment. Be sure to use the Pro Forma Financial Forecast for Existing Operations and Proposed BIP Project that is specific to the Round Two BIP application for which you are calculating the Key Financial Data.

v. For each Key Financial Data item, add the amount from the Pro Forma Financial Forecast for Existing Operations to the amounts for each proposed Round Two BIP Project. Total each column and enter the totals in the final row of the worksheet. These totals for all Round Two BIP applications should agree with the Key Financial Data from the Pro Forma Financial Forecast for Existing Operations and All Proposed BIP Projects.

Save your changes to your attachment before uploading it into Easygrants®.

22. Project Capital Investment Workbook - In this attachment, provide detailed information on the project capital investment, including detailed project costs, your build-out timeline, and project milestones. Note that the template for this attachment consists of three worksheets consolidated within one workbook as follows, be sure to complete all three.

a) Detailed Project Costs - The purpose of the Detailed Project Cost Schedule is to break down the specific costs involved in your project and categorize them. This is where you will also confirm that each capital item is eligible for BIP funding. Eligible BIP-funded capital costs are detailed in

the NOFA. Non-BIP funded costs should be totaled separately and should match the Non-BIP funded costs reported on the Capital Project Budget screen in Easygrants® and on Attachment 23 - Schedule of Debt and Equity Funding.

i. **Step 1 - Detail of Capital Project Cost Schedule** - Enter a descriptive name for each capital item or group of items in the appropriate category. In the Eligible Capital Costs field, select YES or NO to confirm whether the cost is eligible for BIP funding. (See NOFA section IV.D for eligible and ineligible project costs.) Use the Unit Cost and Number of Units fields to further break down the costs. When multiple items are included in one "unit," use the description column to provide enough detail that the reviewers can easily see how you arrived at that unit cost. Now multiply Unit Cost and Number of Units to get a sub-total for each line and enter that sub-total in the correct column, "BIP Funded Costs" and/or "Non-BIP Funded Costs". If the item is not eligible to be purchased with BIP funds, the amount MUST be entered into the "Non-BIP Funded Cost" column. If the item is considered an eligible cost, you may enter the amount in either column or allocate between the two columns, "BIP Funded Costs" and "Non-BIP Funded Costs," based on your capital project budget. Total each column at the bottom of each budget category and then provide a Grand Total of all items included in each budget category added together. These budget category totals must tie to, and may be used to prepare, the totals you provide in the Capital Project Budget screen in Easygrants®. The following information is provided as a guide to the various budget categories:

   - ✓ Network & Access Equipment Costs: Examples of items to include are next-generation switches, video headends, optical equipment, digital line concentrators, digital subscriber line access multiplexers, middleware, video-on-demand equipment, radio equipment, data routing equipment, etc.
   - ✓ Outside Plant Costs: Examples of items to include are cable (aerial, buried, underground, and submarine), conduit systems, poles, network interface devices (NIDs), miscellaneous construction units, make-ready costs for aerial plant, etc.
   - ✓ Tower Costs: Include the cost for the construction of new towers and any costs involved with structural changes to existing towers. Site engineering and project management costs should not be included in this category; they should be included under the Professional Services category.
   - ✓ Building and Land Costs: Include the cost of constructing new buildings and renovating existing buildings, as well as any site

preparation cost involved with installing pad-mounted equipment. Include only those sites that you will purchase.

- ✓ Customer Premises Equipment: Examples of items to include are wireless subscriber units, modems, set-top boxes, etc.
- ✓ Billing and Operational Support Systems: Examples of items to include are billing, customer, and other support systems.
- ✓ Operating Equipment: Include items such as vehicles, furniture, and other operating equipment.
- ✓ Professional Services: Include engineering costs involved in designing and constructing the proposed project, consultant services, and project management.
- ✓ Testing: Include items such as testing network and IT systems, user devices, servers, as well as lab furnishing and test generators.
- ✓ Other Upfront Costs: Include any other upfront costs not covered in the other categories, such as site preparation.

ii. **Step 2 - Useful Life, Asset Depreciation and Grant Amortization Schedule** - This section of the worksheet will help you calculate your weighted average useful life, estimated asset depreciation, and annual amortized grant revenue. First, enter the Total from each budget category from the Detail of Capital Project Cost Schedule above. In the Enter Average Useful Life by Category column, enter the average useful life of the capital items listed in that budget category. For example, you might list 20 years as the average useful life for the items in Outside Plant but a shorter life for the equipment categories. Now, divide each Category Total by the Average Useful Life and enter that number in the Estimated Annual Depreciation field for each category.

iii. **Weighted Average Useful Life** - In order to accurately amortize the BIP grant over the composite economic life of the assets purchased, as discussed in the "Grant Accounting" definition in the Definitions section of this Application Guide, you need to calculate the Weighted Average Useful Life of those assets. You can do that here.

To calculate the Weighted Average Useful Life of the whole capital project, you take from the Project Cost Schedule each Category Total and divide it by the Total Project Costs at the bottom. Multiply that resulting weight or proportion by the Average Useful Life you entered for that budget category. Complete this same calculation for each category and sum the resulting weighted averages. That sum total is your Weighted Average Useful Life for the whole capital project.

iv. **BIP Grant Amortization Amount** - You can calculate the Annual Amortized Grant Revenue to be used on your Income Statement.

Enter your total BIP Grant dollars amount for this project from the Project Budget. Divide it by the Weighted Average Useful Life that you calculated above and enter that in Annual Amortized Grant Revenue. Refer to the "Grant Accounting" definition in the Definitions section of this Application Guide for more information on how to use this on your Income Statement.

b) Build-out Timeline - The purpose of this worksheet is to summarize the funding and workforce for the total capital plan over a 5-year period. In the next worksheet you will identify key phases and milestones to demonstrate the degree of completion, but in this worksheet you enter the incremental capital project costs spent by quarter. Ensure that the data in this attachment ties directly to the application pro forma financial statements in terms of timing, cash flows, revenue assumptions, and capital expenditures. Use incremental numbers for funds spent in each quarter without rounding. Note that total funds in this table should equal both the **Detail Project Cost** on the previous worksheet and the **Capital Project Budget** screen in Easygrants®**. The determination of timely project completion will be based on the calculation of BIP funds drawn by the end of "Year 2" (67%) and "Year 3" (100%) in this table.**

In the Workforce section of the timeline, enter a description of the workforce that will be used to complete the project in column A, followed by the incremental number of workers in that workforce by year.

Please note that, for projects of more than $1 million, your Build-out Timeline must be certified by a professional engineer on Attachment 15 - Professional Engineer Certification (see the guidance for this attachment in the Application Guide).

c) Project Milestones - Use this table to list the major network build-out phases and milestones that can demonstrate that your entire project will be substantially complete (67% of funds advanced) by the end of Year 2 and fully complete (100% of funds advanced) by the end of Year 3. This is to be done at the aggregate level (combining all PFSAs in your application).

Indicate how the milestones listed will demonstrate these completion objectives. You should consider such project areas as a) network design; b) securing all relevant licenses and agreements; c) site preparation; d) equipment procurement; e) inside plant deployment; f) outside plant deployment; g) equipment deployment; h) network testing; and i) network both complete and operational. You may provide any other milestones that you believe will showcase progress.

i. Project inception (Year 0) starts when the applicant closes on the BIP loan.

ii. In the table, provide any information, including facts and analysis, to: a) demonstrate the reasonableness of these milestones; and b)

substantiate the ability to reach the milestones by the quarters indicated.

iii. If more bullet points are required, insert rows as needed within a given year. However, the project must be complete within 3 years of receiving the award.

iv. In the space provided, describe the key challenges, if any, to a timely completion of the project, including any applicable mitigation plans.

Refer to the top of each worksheet for further instructions on filling out the worksheets in this workbook.

Save your changes to your attachment before uploading it into Easygrants®.

23. **Schedule of Debt and Equity Funding** - This schedule provides detail for all existing long-term liabilities, loans, and capital leases. It also documents new non-BIP funding sources that will be needed to fund your BIP project, working capital, and any other capital projects planned during the pro forma (forecast) period. Use the document as a checklist to record the submission of documentation supporting each source of external funding and to provide relevant details for review.

    The worksheet is broken into two sections:

    a) **Section 1: NON-BIP Long Term Obligations** - For each long-term debt or obligation, include a description of loan, principal amount, annual interest rate, term, number of payments, annual payment amount, and start date. Also indicate whether you have submitted supporting documentation for the loan or lease with your application. Supporting documentation includes copies of loan agreements, commitment letters, or leases.

    b) **Section 2: NON-BIP Funding Sources** - Enter non-BIP funding required to support this application's pro forma financial statements. Non-BIP funding for the capital budget and working capital should include documentation of equity, debt, or other contributions (for example, in-kind contributions), including a list of the committed sources of capital funding. A brief description of each should be included. Do not list the requested BIP loan and/or BIP grant here. For other contributions, applicants must provide documentation supporting the cash valuation of each contribution.

    Save your changes to your attachment before uploading it into Easygrants®.

24. **Source Documentation for Debt and Equity Funding** - Use this section to submit documentation substantiating any funds you listed in the Schedule of Debt and Equity Funding. You must provide supporting documentation for all outstanding debt and obligations, and all forms of external non-BIP funding used to fund the proposed project. The documentation must substantiate the

outstanding debt, obligations, and external non-BIP funding for **the applicant's organization**, not other entities such as parents or affiliates.

a) To provide evidence of debt, include copies of existing notes, loan and security agreements, guarantees, capital leases, etc.

b) To provide evidence of external funding, include copies of all formal commitments from your parent company, investors, and/or third parties, such as commitments of funding from banks, evidence of loan agreements, signed agreements from the board of directors, etc.

NOTE*: *If a parent company is providing funding or any other support, proof of support is required.

c) For multi-application applicants, your documentation must indicate whether your investors are willing to commit funds in the event that not all applications are awarded BIP funding.

There is no template for this attachment.

25. **Proof of Entity Type** - Provide documentation proving that your organization and all your co-applicants are eligible entities. At least one document must be provided per applicant and co-applicant, if applicable, identified in Easygrants®. Valid documentation includes:

    a) For corporate and cooperative entities (at least one of the following):
    - Certificate of Good Standing issued by the state of incorporation
    - Certified copy of the most recent articles of incorporation
    - Copy of charter and bylaws

    b) For limited liability companies or similar organizations, provide a certified copy of most recent organizational documents

    There is no template for this attachment.

26. **Proof of SDB Status** - Socially and economically disadvantaged small businesses (SDBs) can receive priority scoring points. In order to receive the extra points, at least one entity that claimed SDB status on the Organization Information or Co-Applicants screen in Easygrants® must submit evidence of that status. If you fit this criterion, please attach a letter from the Small Business Administration (SBA) certifying the SDB status, with a valid expiration date clearly shown. Otherwise, please attach a letter self-certifying SDB status for the applicant or co-applicant who claimed that status. RUS will confirm SDB status through the CCR verification process. There is no template for this attachment.

    There is no template for this attachment.

27. **Organizational Chart(s)** - Submit an organizational chart showing all of the following:
    - The key personnel who manage or will manage the company or project
    - The number of employees in each division or department managed by those personnel

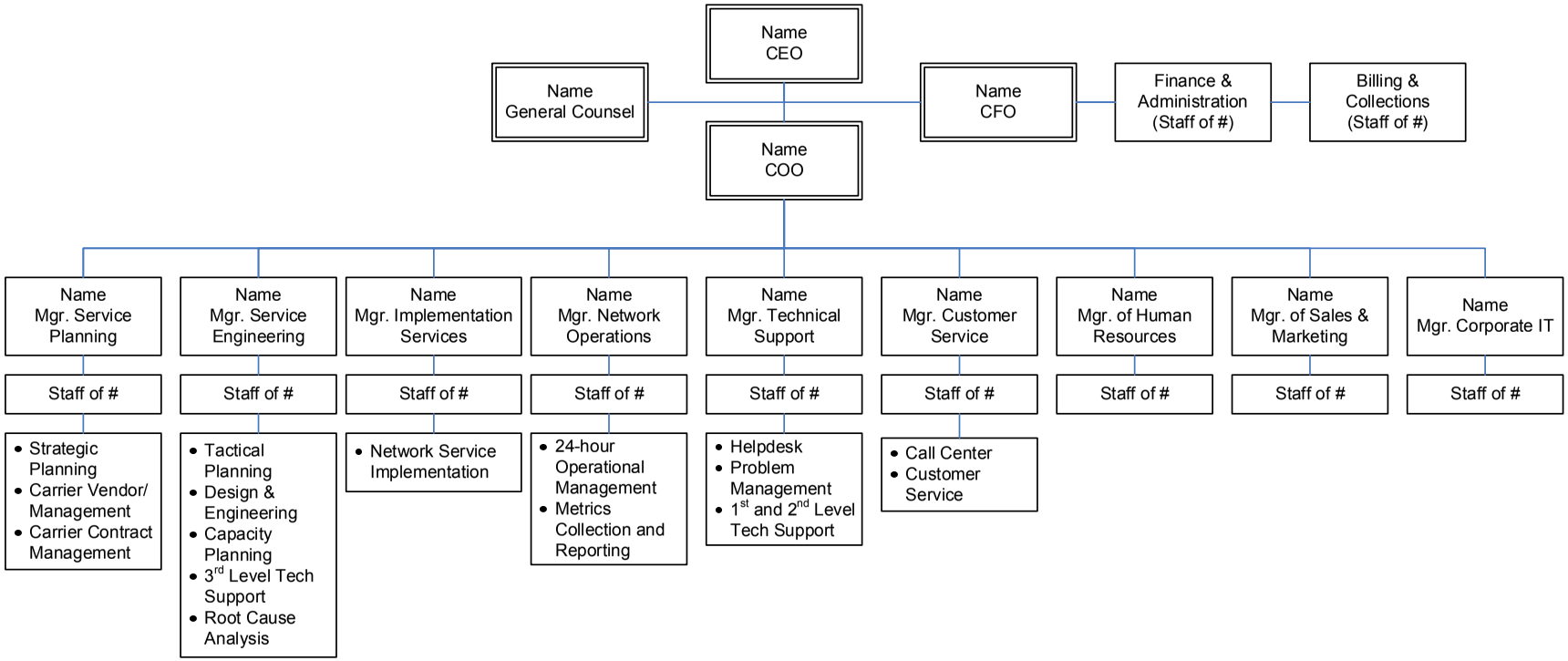
    Your organizational chart should reflect both company structure and key staff, including any co-applicants, whether this is achieved using one or more charts. Also, note that each member of the management team included in Attachment 28 - Management Team Resumes must appear somewhere on the organizational chart. Please also provide an organizational chart illustrating all the other entities (parent/subsidiaries, co-applicants) that are affiliated with the applicant, clearly indicating the relationships between these entities and the applicant. If applicable, you should also list any non-affiliated entities that are partnering or teaming up with the applicant and a summary of their planned involvement in the proposed project.

    Sample organizational charts are provided below. These are only samples and must be tailored to reflect your organization. There is no template for this attachment.

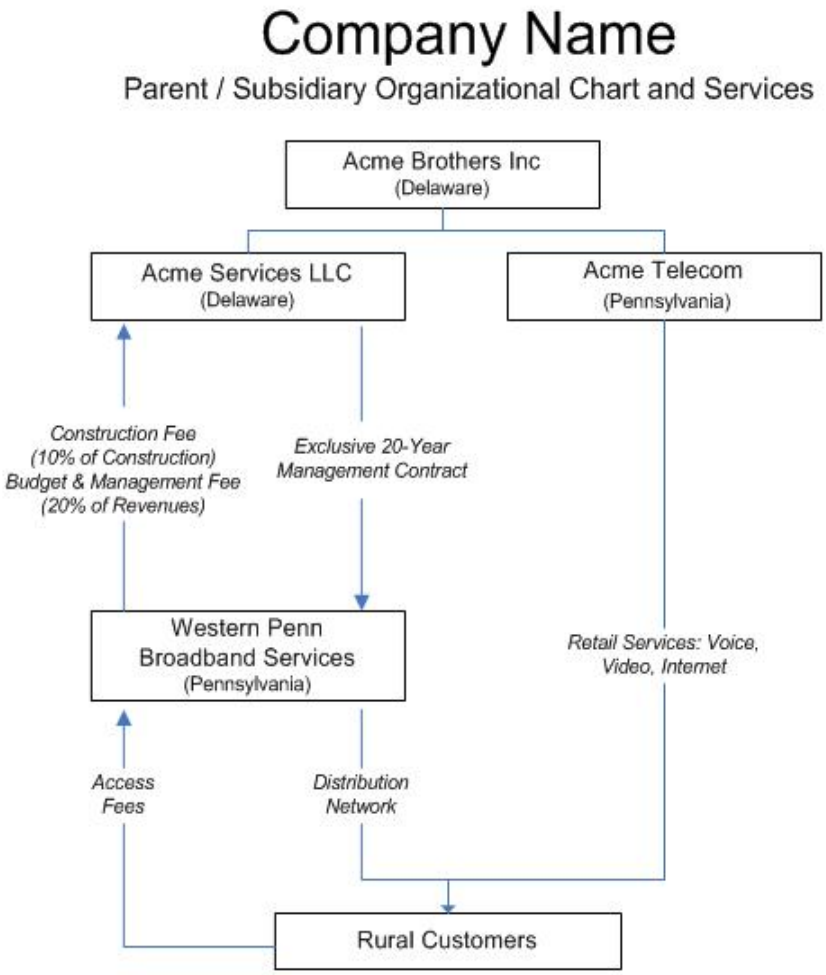
Sample Company Organizational Chart

Company Name

Sample Company Organizational Chart



Sample Parent/Subsidiary Organizational Chart



Acme Services, LLC: A subsidiary of Acme Brothers, Inc. Provides management services, including backend customer service and billing. Operates the network operating center.

Western Penn Broadband Services: The local entity which would own and operate the local distribution infrastructure (not RD-funded) for its service territory. The distribution network will be open-access.

Acme Telecom: A subsidiary of Acme Brothers, Inc. Provides retail internet, voice, and video services over the distribution network. Acme Telecom will not be an RD borrower.

28. **Management Team Resumes** - This attachment consists of three parts:
    - A copy of a resume for each key person who manages or will manage the entity/proposed project (required)
    - A one-page description of the organization's readiness to manage a broadband services network (optional)
    - A document that summarizes the duties and responsibilities of these key personnel (optional)

    a) Resumes - Submit one resume for each management team member. Each resume should be uploaded separately with a filename that begins with "Management Resume" and clearly identifies the last name of each individual (for example, Management Resume_SMITH.doc). In addition:

    i. Resumes submitted for review must be for individuals who are employees of the applicant organization, the employees of your co-applicant's organization, or contractors hired specifically to manage the implementation of the project.

    ii. The position of the individuals whose resumes are provided should be substantiated by the Organizational Chart (provided as a separate attachment).

    iii. Any contractor resumes must be supported by a Contractual Commitment executed between your organization and the contractor for the individual in question.

    iv. Resumes should identify the number of projects previously accomplished that are similar in nature to the proposed project.

    b) Organizational Readiness - Along with the resumes, you may attach a one-page summary of the management team's previous experience of working together. One point will be awarded to applicants whose summary provides convincing evidence that the project team has worked together successfully before, and that provides a description of the project. At least three members of the management team must have the project listed on their resume to qualify. This summary is optional.

    c) Summary Document - It will facilitate review of your application if you provide summary information for key management team members. Please include information on one or more key personnel who manage or will manage the company and/or the proposed project. You may use the sample provided below to create a table that highlights management team members who will be responsible for the proposed project and information to support the scoring of Criterion 8 - Applicant's Organizational Capability based on their resumes. Include:

    i. A general summary of management team members, including duties and responsibilities related to the project, and to any other project.

ii. A list of project and work experience, both general and project-related, that demonstrates qualifications and capabilities of each management team member, including how each person's previous work experience directly relates to his or her ability to perform the duties and responsibilities required for this project.

Management Team Summary

Provide a General Summary of the Members of the Management Team.
Resumes submitted for Contractors will only be reviewed if there is a contractual commitment between the Applicant and the Contractor

Management Team Member Name	Title	Employee of the Applicant or Co-Applicant? (Yes / No)	Contractor to the Applicant? (Yes / No)	Years of Industry Experience	Duties & Responsibilities Relating to the Proposed BIP Project	Comments

Management Team Related Project/Work Experience

List Project and Work Experience that Demonstrate Qualifications and Capabilities of each Management Team Member

Management Team Member Name	Project/Work Experience Name/Title	Project/Work Term: YEARS (e.g. 1.0; 0.6)	Size of Project USD$	Project/Work Experience to Proposed Project	Duties & Responsibilities Relating to the Listed Project or Work Experience	Project/Work Description & Similarity to Proposed BIP Project

29. **Affordability** - This attachment is a freeform narrative describing the methods used to determine that the prices of your proposed services are affordable. A narrative is required for all applications.

    The document must be no longer than four pages in length. It should start by indicating whether broadband service currently exists in the proposed funded service area(s). If you have multiple proposed funded service areas and you plan to offer different pricing plans in these areas, address each pricing plan by service area name within your statement.

    If broadband service currently exists in the proposed funded service area(s), the following information must be provided:

    - A description of your service
    - An explanation of why the pricing for your broadband service offerings are affordable in comparison to the pricing of existing services, including each competitor in every service area if your application has multiple proposed funded service areas

    If there are no existing broadband services in the proposed funded service area, the following information must be provided:

    - An explanation of why the proposed pricing is appropriate for the area
    - Supporting data for the proposal

H. Applicant Checklist for Attachments 17 through 29

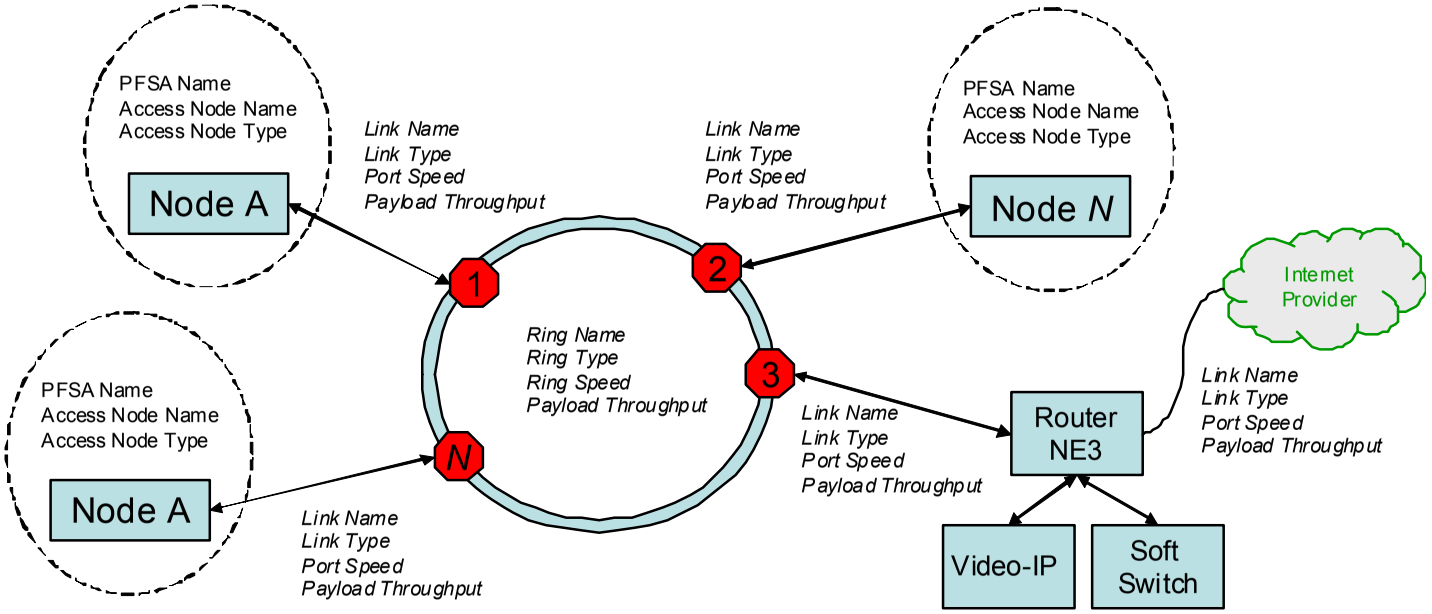
Use the checklist below to help ensure that you have supplied key information in Attachments 17 through 31.

Applicant Checklist for Attachments 17 through 31	
17. Historical Financial Statements	
Did you include the applicant organization's Historical Financial Statements for two years (or appropriate alternative documentation for start-ups)?	☐
Did you include the historical financial information in the appropriate historical columns on the pro forma financial forecasts?	☐
18. and 19. Pro Forma 5-Year Financial Forecasts	
If you have a co-applicant or co-applicants, did you provide a pro forma financial statement for each?	☐
Does the Build-out Timeline support the revenues and expenditures shown in the pro forma statement of cash flow, balance sheet, and income statement?	☐
Do your cash flows and capital expenditures show a 67% drawdown in Year 2 and 100% drawdown in Year 3?	☐
Is your financial forecast consistent with your Schedule of Debt and Equity Funding?	☐
20. Pro-Forma Financial Assumptions	
Do your accounting assumptions provide a detailed explanation for every category in the pro forma financial statements?	☐
Do your subscriber and ARPU assumptions validate your revenue assumptions, and are your expenses fully supported?	☐
Do your accounting assumptions clearly reflect when BIP funding is expected to be awarded?	☐
If the historical financial information you presented on the pro forma does not match your Historical Financial Statements, did you provide a detailed explanation of how to reconcile the data?	☐
Did you provide assumptions for the BIP grant and/or BIP loan?	☐
Did you provide assumptions for Backhaul/IP Interconnection, Spectrum, and Video capacities and cost?	☐

Applicant Checklist for Attachments 17 through 31	
21. Consolidated Financials Reconciliation Schedule *(Multiple Applications Only):* Did you complete the consolidated financial reconciliation schedule?	☐
22. Project Capital Investment Workbook	
Do the Build-out Timeline funds match the Detailed Project Costs?	☐
Does the Detailed Network Plan match the Detailed Project Costs?	☐
Do the data in the Detailed Project Costs, Build-out Timeline, and Pro Forma match the Capital Project Budget entered into Easygrants®?	☐
23. Schedule of Debt and Equity Funding	
Does the schedule for existing long term liabilities, loan, and capital leases tie to your Pro Forma 5-Year Financial Forecast?	☐
Did you provide support documentation for ALL non-BIP funding required for the project?	☐
24. Source Documentation for Debt and Equity Funding	
Did you include verifiable third-party documentation of the capital lease, debt, capital, working capital, and any additional capital projects?	☐
If you submitted multiple applications, did you provide a commitment from all investors indicating their willingness to commit funds even if all applications are not funded?	☐
25. Proof of Entity Type Did you provide valid documentation for the applicant and any co-applicant signing loan documents?	☐
26. Proof of SDB Status (if applicable)	☐
27. Organization Chart(s)	
Does your organization chart reflect your proposed staff and management team?	☐
Did you include contracts or written agreements with any co-applicants or partners so they can be considered as part of the scoring for the applicant's Organizational Capability?	☐
28. Management Team Resumes	☐
29. Affordability Does the proposed pricing support the revenue data in the pro formas?	☐

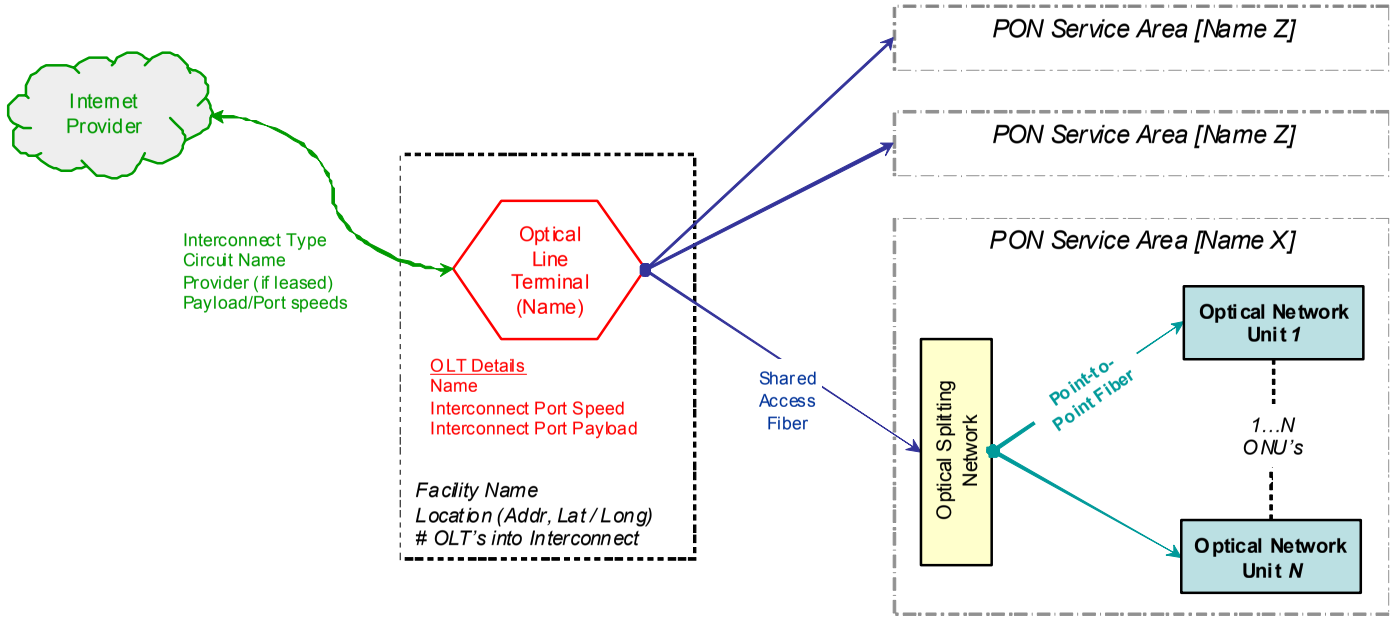
I. Appendix - Sample Network Diagrams

Example: Interconnect Ring



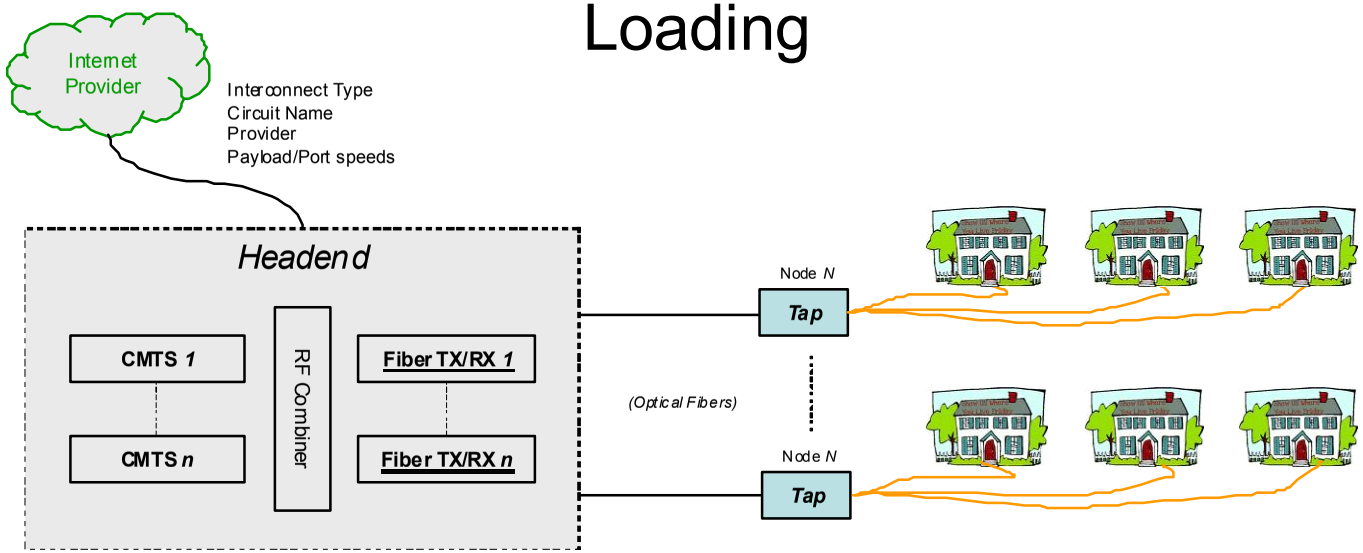
Node Name	Network Element	Service PFSA	Port Speed (Mbps)	Port Payload (Mbps)	Network Element Location (Lat / Long)	Existing or New	Estimated Data / Video / Voice Payloads (Mbps)	Number of PFSA Premises Served

Example: EPON / GPON
Fiber Point-to-Multipoint Access Architecture



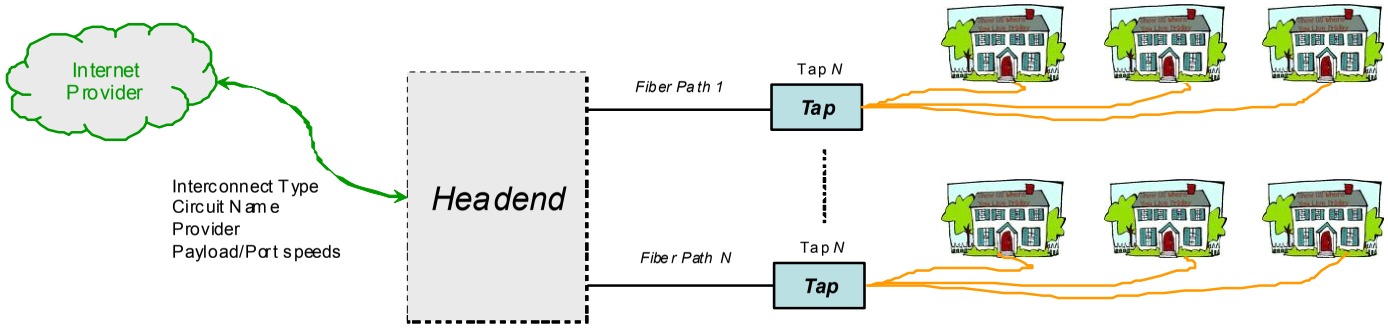
PON Service Area Name	Number of OLT Access Ports	OLT Access Port Speed (Mbps)	OLT Access Port Payload (Mbps)	Optical Split Cabinet Location (Lat / Long)	Optical Splitting Ratio	Longest PTP Path (Kft)	Number of Premises per ONU

Example: RFoG Access Diagram – Traffic Loading



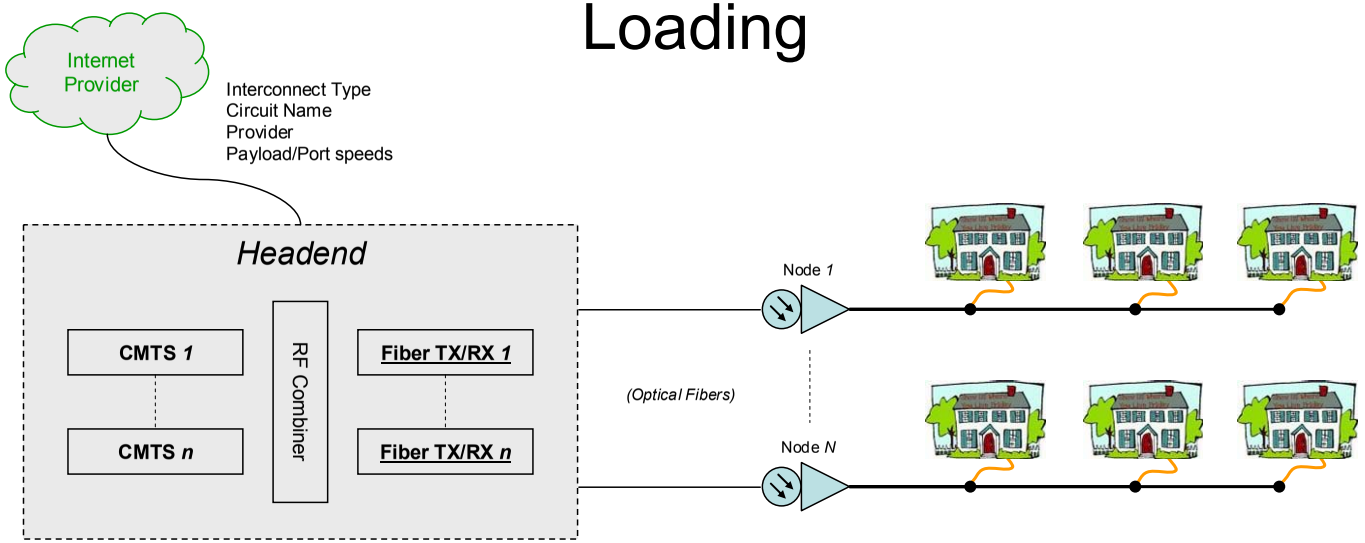
CMTS Name	DOCSIS Technology	Downstream Modulation	Upstream Modulation	Number of Downstream Ports	Number of Upstream ports	Number of Nodes per Downstream Carrier	Homes per Node

Example: RFoG Access Diagram – Outside Plant



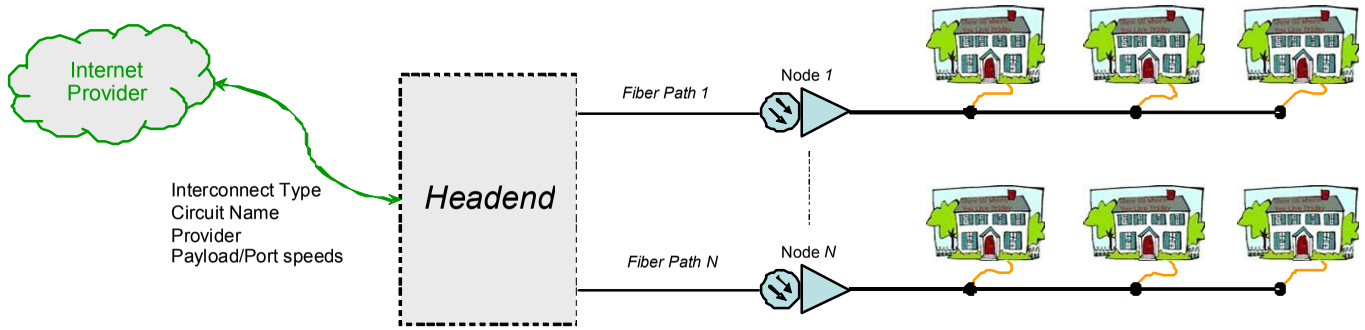
Path Name	Path Length (km)	Node Name	Node Location (Lat/Long)	Average Fiber Drop Length (ft)	Homes per Tap

Example: HFC Access Diagram – Traffic Loading



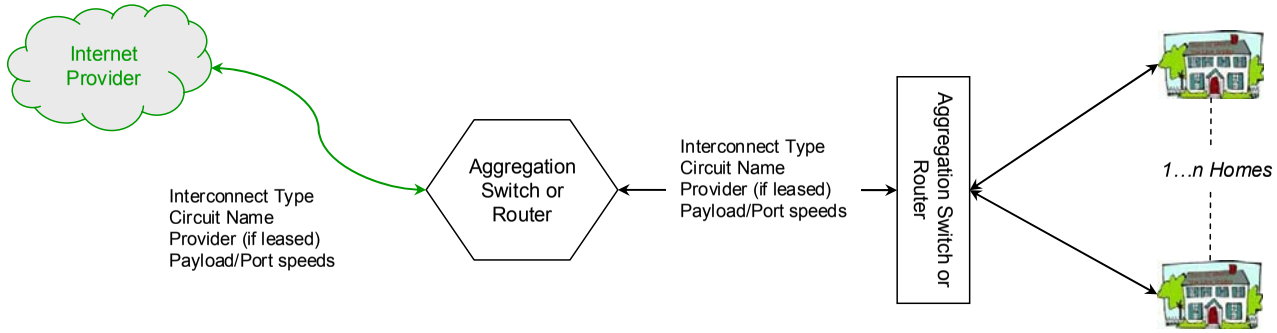
CMTS Name	DOCSIS Technology	Downstream Modulation	Upstream Modulation	Number of Downstream Ports	Number of Upstream ports	Number of Nodes per Downstream Carrier	Homes per Node

Example: HFC Access Diagram – Outside Plant



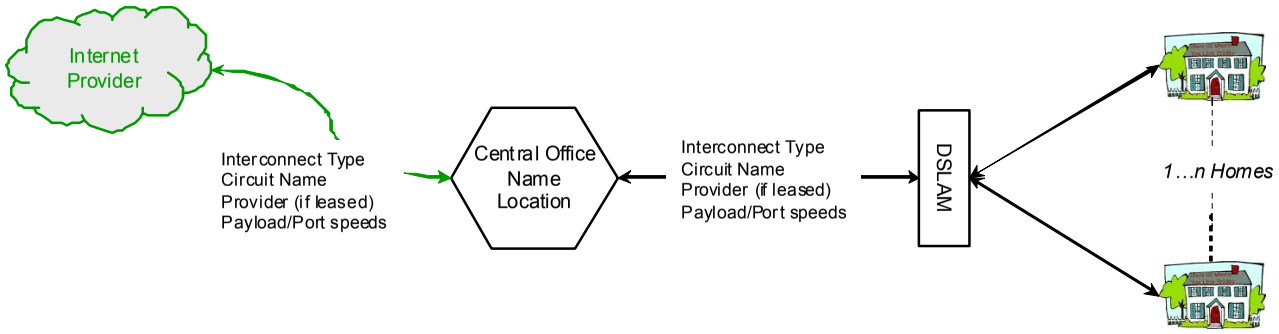
Path Name	Path Length (km)	Node Name	Node Location (Lat/Long)	Coax Cable Distribution Plant miles (this Node)	Average Drop Length (ft)	Homes per Node

Example: Active Ethernet or Fiber Point-to-Point Access Architecture



Local Ethernet Aggregation Switch Name	Local Agg Switch location (Lat/Long)	Number of Ports	Port Speed (Mbps)	Shortest Path (Kft)	Longest Path (Kft)	Backhaul Type	Backhaul Speed (Mbps)	Backhaul Link Distance (Kft)

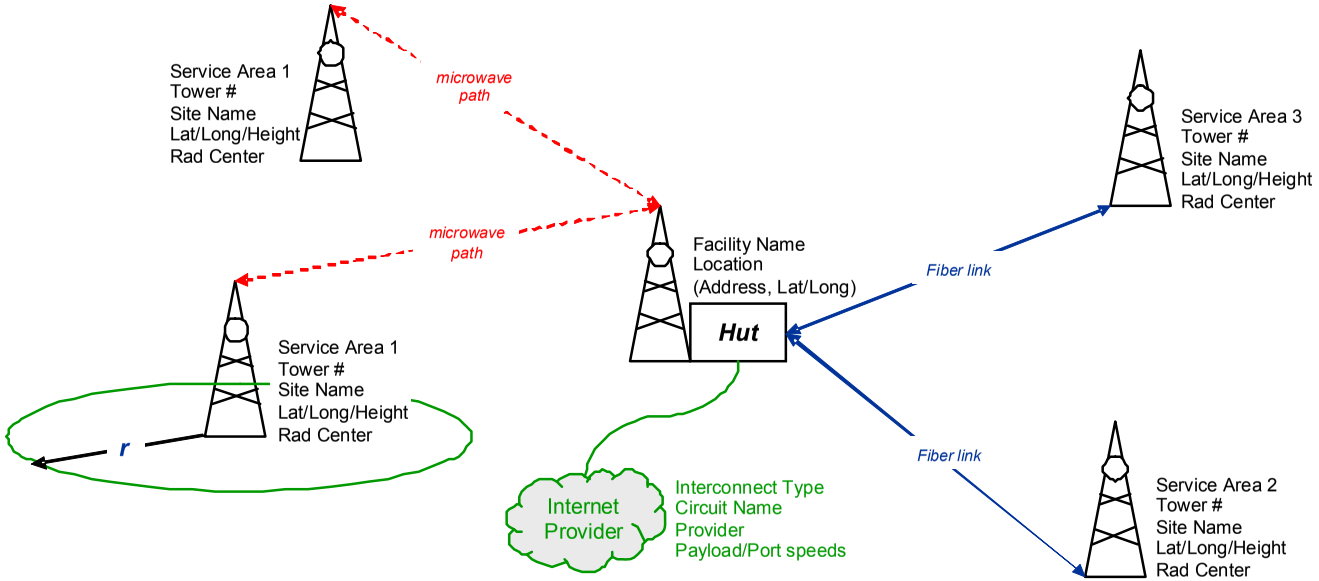
Example: xDSL Access Architecture



DSLAM Name	DSLAM location (Lat/Long)	DSL Format	Number of DSL Ports	Copper Gauge (AWG)	Shortest Loop (Kft)	Longest Loop (Kft)	Backhaul Type	Backhaul Speed (Mbps)	Backhaul Link Distance (Kft)

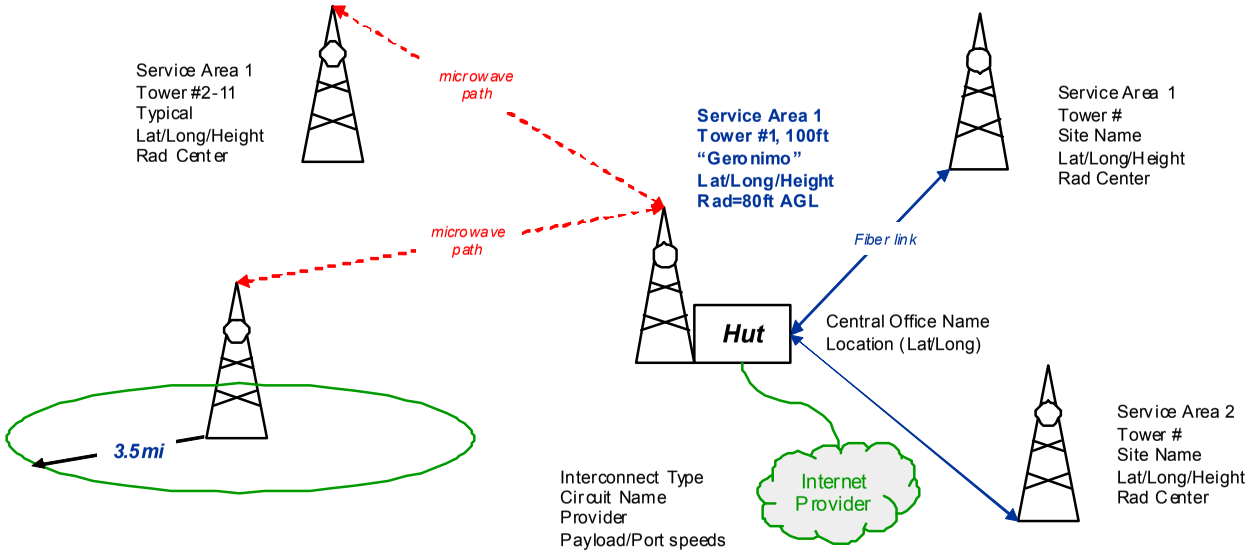
Example: Wireless Access Diagram

(Showing Microwave Backhaul and Fiber Backhaul)



Site Name	Last Mile Coverage Radius (mi)	Number of Last Mile Sectors	Last Mile Frequency (MHz)	Last Mile ACM?	Last mile Bandwidth (MHz)	Backhaul-Leased (provider) or Owned	Backhaul Type	Backhaul Payload (Mbps)	Backhaul Link Distance	Backhaul Frequency (MHz)	Backhaul Bandwidth (MHz)

Example: Wireless Access Diagram



Site Name	Last Mile Coverage Radius (mi)	Number of Last Mile Sectors	Last Mile Frequency (MHz)	Last Mile ACM?	Last mile Bandwidth (MHz)	Backhaul - Leased (provider) or Owned	Backhaul Type	Backhaul Payload (Mbps)	Backhaul Link Distance	Backhaul Frequency (MHz)	Backhaul Bandwidth (MHz)
10X Typical	3.5mi	3	2300MHz	No	5MHz	Leased	Fiber (existing)	20Mbps	30mi	n/a	n/a
"Geronimo"	5.5mi	3	3650MHz	Yes	10MHz	Owned	Microwave	27Mbps	15mi	5800MHz	20MHz